

CITY OF WENATCHEE



2013 BUDGET

November 15, 2012

Table of Contents

Financial Policy	4
General Fund	7
Summary	7
City Council / Administration.....	10
Mayor's Office – City Council.....	10
Human Resources Department	11
Finance Department	13
Code Enforcement Department.....	15
Planning Department.....	17
Engineering Department.....	19
Recreation Department	21
Parks Maintenance Department.....	23
Museum Department	25
Fire Department.....	26
Police Department	28
Other Public Safety Expenditures.....	30
Other Administrative	32
Nonrecurring Activity	34
General Fund History	36
Special Revenue Funds	38
#101 – Public Art Fund	38
#102 - .2% Sales Tax Fund	38
#103 – Paths and Trails.....	39
#104 - Tourism Promotion Area	39
Hotel/Motel Tax Funds	39
#105 – Hotel/Motel Tax – Capital	40
#107 – Hotel/Motel Tourism Fund	40
#106 – Convention Center Fund	41
#108 – Street Maintenance Fund	43
#109 - Arterial Streets.....	45
#111 – Street Overlay Fund	46
#114 - Community Center Fund	47
Low Income and Homeless Funding	49
#113 – Low Income Housing Fund	49
#117 – Homeless Housing Fund	49
#115 – Community Development Block Grant Fund	50
LEOFF Obligations	51
#110 – LEOFF Long Term Care	51
#116 – LEOFF Health Insurance	52
Debt Service Funds.....	53

Outstanding General Obligation Debt Service Requirements	54
Capital Project Funds	55
#301 - Real Estate Excise Tax Fund	55
#304 – Pybus Market.....	55
#307 – Local Revitalization Finance Program	56
Enterprise Funds	57
#401 – Water / Sewer Utility Fund.....	57
#410 - Storm Drain Fund	60
#415 – Regional Water Fund.....	62
#420 – Solid Waste Fund	63
#425 – Regional Vector Facility Fund	63
#430 – Cemetery Operations Fund	64
Internal Service Funds	66
#501 - Equipment Operations & Maintenance Fund	66
#503 - Equipment Rental & Replacement Fund.....	68
#504 - Facility Maintenance Fund	70
#502 - Self Insurance Fund	72
#505 - Information Systems Fund	73
Fiduciary Funds.....	75
#610 - Cemetery Endowment Fund	75
#611 - Firemen's Pension Fund	76
Staffing History	77
Budget Ordinance 2012-29 Exhibit A – All Funds Budget Summary.....	78

Financial Policy

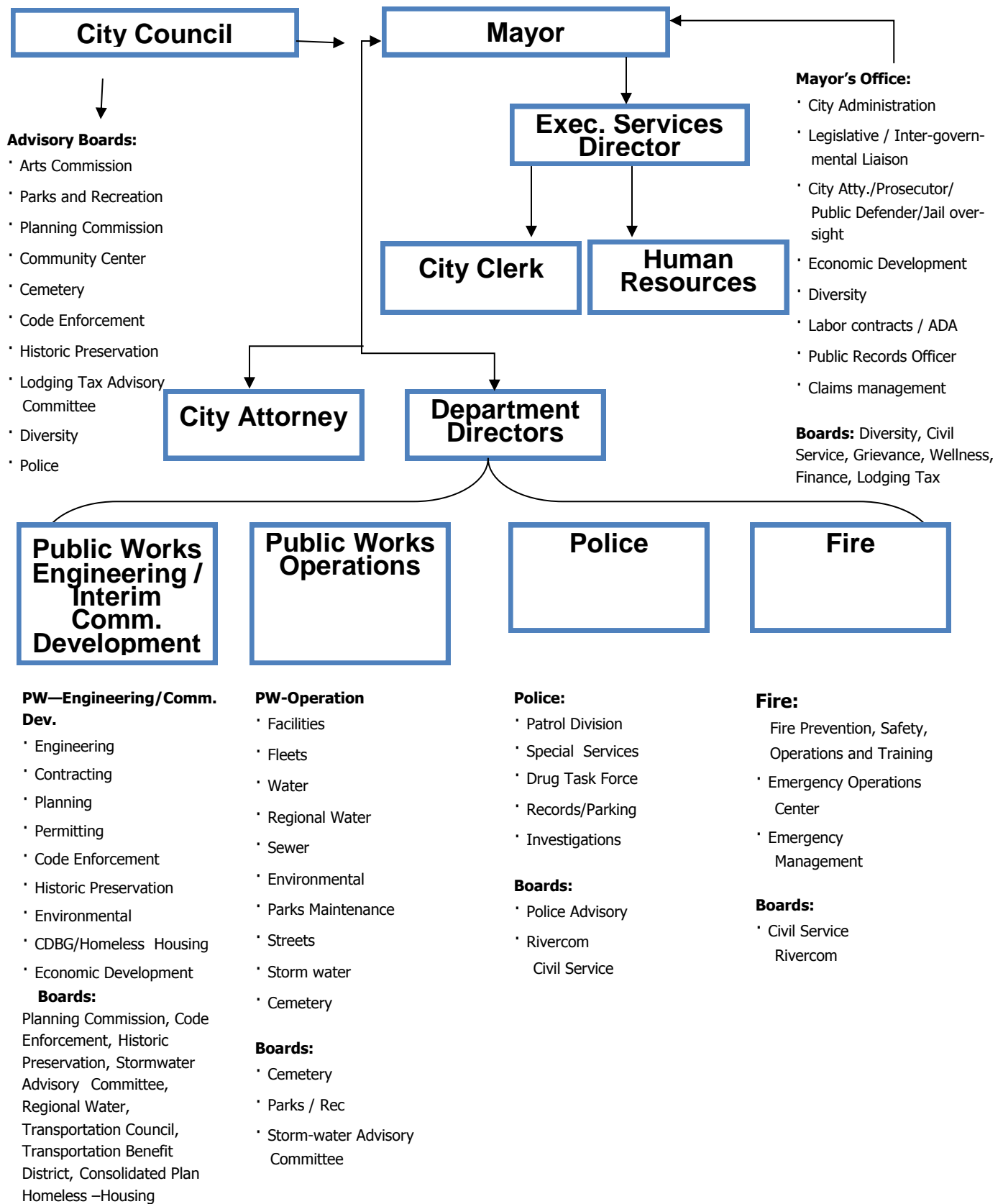
The City established Financial Management Policies that provide a framework for long term financial stability. Specific goals include providing adequate levels of municipal services by relying on ongoing resources, and maintaining an adequate financial base to withstand changes in volatile revenue sources; maintain a good credit rating in the financial community; ensure the City is in a position to respond to changes in the economy or new service requirements without undue financial stress; and maintain City facilities, infrastructure, equipment and fleets in a well-planned and efficient manner.

To accomplish these goals the City established budget guidelines that require ongoing or recurring revenues be equal to or exceed ongoing expenditures and any new operating expenditures be supported by ongoing operating revenues. To withstand changes in the economic environment Fund Balance Reserve goals were developed. The reserve policies are:

Reserve Fund Policies (reserve balances evaluated at 12/31)

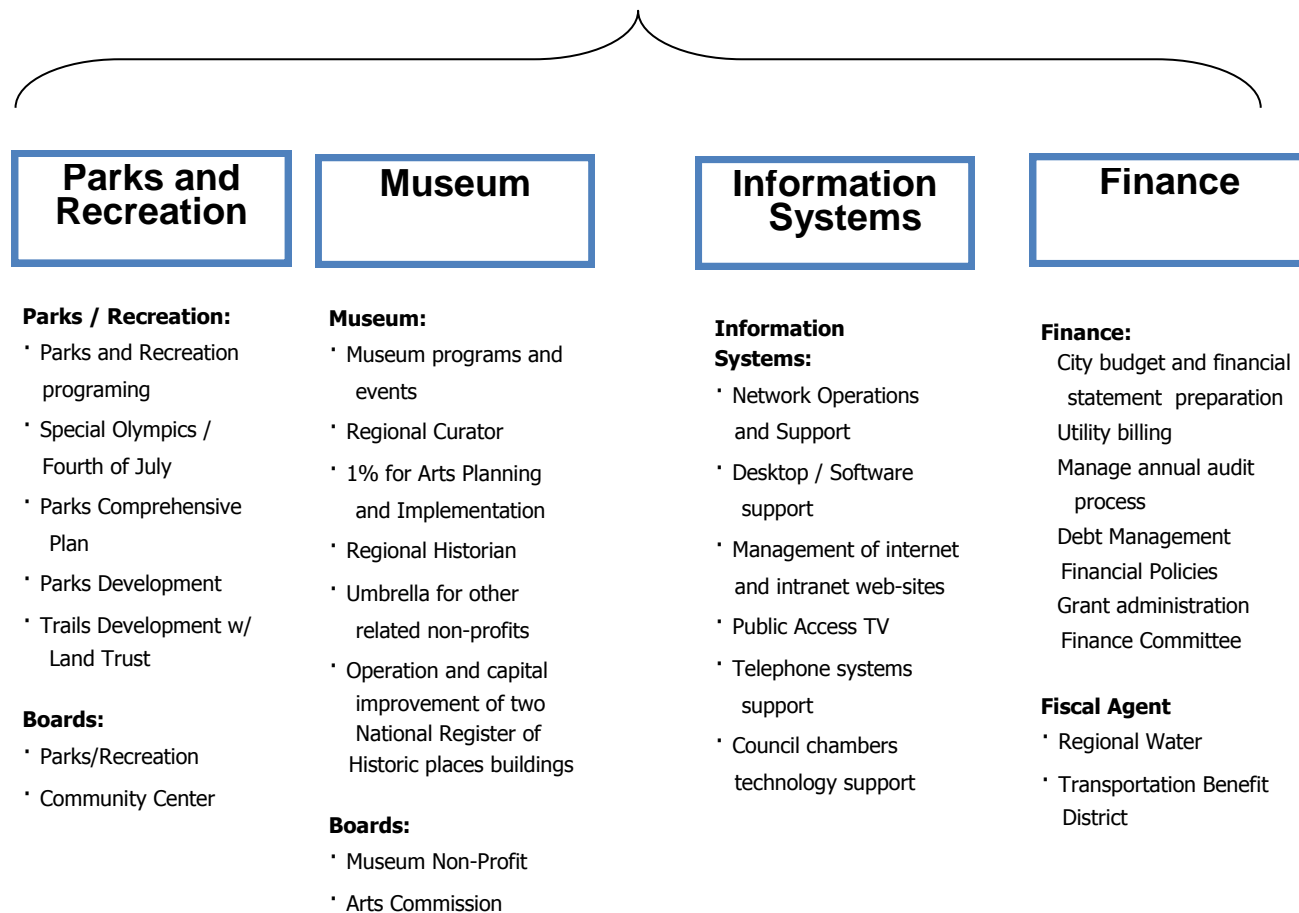
1. The operating funds excluding the General Fund, the utility funds, Self-Insurance Fund, Equipment Rental Fund and the Information Services Fund will maintain an unrestricted fund balance of two months or 17% of recurring expenditures to ensure adequate cash flow.
The General Fund will maintain an unrestricted fund balance of 15% of recurring expenditures to ensure adequate cash flow.
The utility funds will meet reserve requirements indicated in the appropriate rate studies and bond covenants and will meet the financial policies presented to the City Council in March of 2011.
The Self Insurance Fund will maintain an unrestricted fund balance \$500,000 greater than the annual insurance premium.
The Equipment Rental and Replacement Fund will maintain a reserve balance adequate to replace equipment on an established schedule.
The Information Services Fund will maintain a reserve fund balance sufficient to annually replace equipment and software and cover operations.
2. The General Fund will also maintain a \$1,000,000 Rainy Day restricted fund balance to be used only with Council approval. The reserve will be established and replenished from one-time revenues not committed for other purposes, excess operating reserves or by budgetary action.
The Street Fund will maintain a \$250,000 contingency reserve in addition to the operating reserve to cover the costs of unexpected street repairs and the additional costs to snow plow in unusually harsh winters.
The reserves will be established over a four year period and if subsequently drawn down will be replenished in no more than two years.
3. A Capital Reserve will be established for the governmental funds facilities in the Facility Maintenance Fund based on a maintenance plan approved by the Finance Committee.

City of Wenatchee Organization



Continued:

Department Directors



General Fund

Summary

The General Fund is the principal governmental fund of the City and is used to account for all revenues and expenditures which are not accounted for in any other fund. The 2013 budget is presented with approximately 77% of General Fund's recurring revenues coming from property taxes, sales taxes and utility taxes. Recurring revenues of the total General Fund pay for the ongoing services provided to the citizens of Wenatchee. Salary and benefits are 58% of the General Funds recurring expenditures.

The ongoing services the General Fund provides are:

- *Public safety* which is 66% of the General Fund's recurring expenditures and include police, fire, detention of prisoners, prosecution and defense of individuals in Wenatchee's legal system, animal control and police and fire retiree medical.
- *Community services* include code enforcement, planning, and engineering and are 9% of the General Fund's recurring expenditures.
- *Recreation services* include recreation programs, swimming pool, park ground maintenance, museum operations and library support and are 9% of the General Fund's recurring expenditures.
- *Administration* provides general services to city departments and citizens and is 15% of the General Fund's recurring expenditures. Administrative services include city council, mayor, city clerk, human resources, finance, city attorney, building maintenance, property liability insurance for all general fund services and departments, debt service, cemetery operations support and Public Facilities District support.

The 2013 final budget presentation was developed with the following assumptions:

- Medical premium costs will increase 6%.
- Retirement contributions will increase 1.98%
- Labor and Industries rates will increase 19%
- The City's liability for the Public Facilities District's debt is capped at \$200,000
- Equipment replacement rates have been taking replacement "holidays" the past 4 years. These rates are now at full replacement values.
- Property taxes are increased the 1% allowed by RCW by I747 plus new construction and annexations.
- Sales taxes are estimated at 2012 levels less the identifiable one time projects

Major changes to the budget from 9/20/12 for the General Fund # 001 are:

1. Revised the estimate for Utility Taxes - increased \$ 100,000.
2. Reduction in the medical insurance increase, actual was 6% not the 11% estimated
3. Staff changes:
 - a. Finance Dept - staff accountant at the PFD is a PFD employee as of 1/1/13, this reduced expenditures and charge for services. Hire an Accounting Supervisor to fill the June 2011 vacancy, budgeted to begin 1/1/13, increases expenditures & interfund charges. Net impact to the general fund approximately \$ 20,664
 - b. Planning Dept - hire additional staff to handle new homeless/low income programs the State is no longer doing. This increases expenditures and interfund charges. Net impact to the general fund budget approximately \$ 46,597
 - b. Engineering Dept - Hire additional staff to help with increased construction projects. Charges to the projects expected to pay for additional costs related to this position. Net impact to the general fund \$0.00
 - d. Parks Maintenance - Hire seasonal temporary workers and additional supplies to maintain the parks. Net impact to the general fund approximately \$ 38,766
 - e. Police Dept - employee resignation - not filling until mid - 2013. Net impact to the general fund approximately (\$ 65,123)
 - f. Civil Service - additional \$10,000 for testing of Police Officers
4. Transfers out for retiree health premiums reduced, premium only increased 1% not 11%. Net impact to general fund (\$ 51,650)
5. Transfer to support Community Center operations. Net impact to general fund \$ 20,000.
6. Property liability insurance transfer reduced due to premium increase estimate revision from 10% to 6%. Net impact to general fund (\$ 21,300)

7. Non-recurring activity
 - a. Replacement of unsupported permitting software. Net impact approximately \$ 28,500
 - b. Install a lift at the pool. Net impact approximately \$ 8,000

2012 Preliminary Budget Amendments & 2013 Preliminary Budget Summary

			2012 Budget	2013 Budget		Change from 2012	
	2010	2011	Final	As of	As of		
General Fund Summary	Actual	Actual	Budget	9/20/2012	11/15/2012	\$	%
Revenues							
Property tax	4,306,911	4,500,406	4,590,200	4,646,000	4,695,556	105,356	2%
Sales & use tax	6,757,390	6,320,221	6,154,880	6,040,570	6,040,570	(114,310)	-2%
Criminal justice sales tax	527,600	543,822	547,740	547,740	547,740	0	0%
Utility Taxes	5,033,933	5,124,717	5,266,170	5,040,000	5,144,000	(122,170)	-2%
Other Taxes	199,701	273,812	326,260	270,480	270,480	(55,780)	-17%
Licensing/Permits	586,795	651,162	594,300	593,900	593,900	(400)	0%
Intergovernmental	1,012,085	1,148,410	971,894	637,120	619,145	(352,749)	-36%
Olds Station Revenue Sharing	41,875	12,000	87,200	44,400	44,400	(42,800)	-49%
Charge for Services	1,764,010	1,814,681	1,768,050	1,221,666	1,423,372	(344,678)	-19%
Fines Forfeits	901,091	1,245,482	1,180,200	1,128,300	1,128,300	(51,900)	-4%
Misc Revenues	507,273	1,257,615	93,890	75,780	75,780	(18,110)	-19%
Transfers In	719,125	367,582	323,100	30,000	0	(323,100)	-100%
Total Revenues	22,357,789	23,259,910	21,903,884	20,275,956	20,583,243	(1,320,641)	-6%
Expenditures							
City Council/Admin	(614,863)	(653,967)	(617,048)	(670,148)	(673,285)	(56,237)	9%
Finance	(1,061,476)	(1,026,511)	(1,001,075)	(661,356)	(696,626)	304,449	-30%
Code Enforcement	(542,270)	(554,327)	(580,475)	(576,022)	(584,332)	(3,857)	1%
Planning	(394,068)	(362,912)	(405,052)	(417,180)	(508,577)	(103,525)	26%
Engineering	(661,421)	(668,528)	(697,480)	(700,429)	(810,189)	(112,709)	16%
Recreation	(599,259)	(553,802)	(560,952)	(545,260)	(561,476)	(524)	0%
Park Maintenance	(805,752)	(772,122)	(802,777)	(838,605)	(877,371)	(74,594)	9%
Museum	(518,131)	(516,190)	(510,551)	(371,760)	(371,351)	139,200	-27%
Fire	(3,748,654)	(3,568,430)	(3,543,818)	(3,383,061)	(3,382,621)	161,197	-5%
Police	(6,341,943)	(6,289,943)	(6,348,594)	(6,313,012)	(6,216,631)	131,963	-2%
Other Public Safety	(3,926,888)	(3,937,828)	(3,925,690)	(4,070,230)	(4,078,580)	(152,890)	4%
Other Administrative	(3,189,537)	(4,026,579)	(3,024,721)	(1,856,601)	(1,855,100)	1,169,621	-39%
Non-Recurring Expenses	(197,492)	(461,810)	(692,149)	(24,450)	(124,950)	567,199	-82%
Total Expenditures	(22,601,754)	(23,392,949)	(22,710,382)	(20,428,114)	(20,741,089)	1,969,293	-9%
Recurring Revenues	21,089,394	21,276,497	21,282,250	20,252,482	20,558,793		
Recurring Expenses	(22,404,262)	(22,931,139)	(22,018,233)	(20,403,664)	(20,616,139)		
Recurring Revenues greater (less)							
than Recurring Expenditures	(1,314,868)	(1,654,642)	(735,983)	(151,182)	(57,346)		
Total Revenues greater than							
(less) than expenditures	(243,965)	(133,039)	(806,498)	(152,158)	(157,846)		
Beginning fund balance	3,385,743	3,141,778	3,008,739	2,202,241	2,202,241		
Ending fund balance	3,141,778	3,008,739	2,202,241	2,050,083	2,044,395		
Fund Balance Reserve							
%of recurring expenses	14.02%	13.12%	10.00%	10.05%	9.92%		

City Council / Administration

Mayor's Office – City Council

The Mayor's Office/Department is staffed by the Mayor, Executive Services Director and City Clerk. The department is support to the Wenatchee City Council.

Under the Mayor/Council form of government, the Mayor is the official and ceremonial head of the City. He serves as the chief executive officer and is charged with the responsibility of ensuring that all policies, laws and ordinances enacted by the Council are carried out. The Mayor sets the agenda for, and presides over, all City Council meetings and reports to the Council regarding City affairs including operational, financial, and other needs. He also makes recommendations for Council consideration and action. The Mayor, in coordination with the Finance Department, is responsible for the creation and presentation of the City's annual operating and capital budgets.

The City Council is comprised of seven members who are elected at large. Through legislative action the Council sets policy and provides direction to be carried out by the Mayor and appointed staff. Among other things, the Council is responsible for establishing and prioritizing levels of service for all City operations and for the adoption of the City's annual operating plan and capital budgets. Council members and the Mayor represent the city in serving on various community boards and councils.

The City Council meets in public session at Wenatchee City Hall on three evenings each month at 5:15 p.m. Work sessions are held on the third Thursday of the month while regular meetings are held on the second and fourth Thursdays of each month.

The staff of the Mayor's office includes the Executive Services Director and City Clerk.

The Mayor's office performs the following:

- Administer the City operation, carry out City Council policy direction and negotiate appropriate contracts, agreements, etc. that implement the direction
- Coordinate and carry out all City Council meetings - regular meetings, special meetings, work sessions and committee meetings (legal notices, agendas, packets, communications, minutes, and codification) and maintain official records of such meetings
- Work with Finance and City departments on overall city budget and needed implementation including bond issuance, etc.
- Liaison work with State and Federal Legislators, along with other State associations, and liaison with organizations seeking City assistance
- City lead for economic development /marketing/PR efforts/sister cities
- Staff support to Diversity Advisory Council, Wellness Committee, Lodging Tax Advisory Committee
- Point of contact for citizen requests, complaints, damage claims, lawsuits, and public records requests and assurance of procedures to facilitate and expedite responses
- Oversight of Human Resources and all associated needs including labor contracts and negotiations, employee benefit programs, etc.
- Provide ongoing website editing and updates and new items for e-news
- Lead for annual Americans with Disabilities Act review

2012 Goals & Accomplishments

- ✓ Historic effort to effect a change in legislation that allowed for City Council enacted sales tax of .2/10% for Public Facilities District (PFD) and solving PFD default; Mayor Kuntz appointed to PFD board
- ✓ Budget cuts initiated for a more sustainable future for basic city services
- ✓ Health Plan premium contribution changes implemented for non-rep and IAFF (Firefighter's Union)
- ✓ Pybus project was transferred to the Port of Chelan County, facilitating a public-private venture and reinvigorating Wenatchee Waterfront development
- ✓ Code updates enacted to allow for different meeting locations and electronic noticing
- ✓ Economic indicators working group created
- ✓ Council policies adopted creating new Council Finance Committee
- ✓ Lodging Tax Advisory Committee reconstituted
- ✓ American Institute of Architects, South Wenatchee Sustainable Design Assessment Team(AIA SDAT) technical assistance grant implemented
- ✓ Successful Zayo franchise negotiation

✓ Annual Diversity training completed

✓ WellCity Award recipient (5 years)

General Fund Council / Administration Departments

	2010 Actual	2011 Actual	2012 Budget	2013 Budget		Change from 2012 \$ %	
			Final Budget	As of 9/20/2012	As of 11/15/2012		
Revenues - Interfund charges	188,453	211,488	188,010	72,900	73,618	(114,392)	-61%
Expenses - Salary/benefits	(448,447)	(448,923)	(481,078)	(483,308)	(482,195)	(1,117)	0%
Expenses - Misc	(69,183)	(55,933)	(61,470)	(59,670)	(63,920)	(2,450)	4%
Expenses - Internal services	(54,983)	(55,406)	(49,500)	(52,170)	(52,170)	(2,670)	5%
Expenses - Election costs	(42,250)	(93,705)	(25,000)	(75,000)	(75,000)	(50,000)	200%
Total expenses	(614,863)	(653,967)	(617,048)	(670,148)	(673,285)	(56,237)	
Net impact to general fund	(426,410)	(442,479)	(429,038)	(597,248)	(599,667)	(170,629)	40%
FTE positions	4.0	4.0		4.00	4.00		

2013 Goals

- Carry out priorities of government process / Wenatchee NEXT
- Continuing education/training for staff / Council
- Evaluate overall city operation to establish three year staffing needs plan (resulting from priorities process)
- Carry out process to evaluate Municipal Court and associated functions (public defense, prosecution, probation, etc.)
- Complete successful labor negotiations with the cost of health care as a focal point
- Implement recommendations of AIA SDAT process
- Continue annual Diversity Training
- Complete successful contract negotiations for Public Defender
- Continuing education/training for staff / Council

Significant 2013 Budget Issues

- Funding for travel and training
- Funding for municipal court study, estimated \$50,000
- Additional costs for 3 labor negotiations
- Additional funding needed for elections costs, 3 council positions open

Human Resources Department

The Human Resources Department works closely with the Mayor's office. The Human Resources Department's mission is to provide quality, customer-focused human resources services to attract, develop, motivate and retain a diverse workforce within a supportive work environment.

The Human Resources Department works to position the City as an employer of choice. We partner with departments to hire, compensate, support and develop a diverse workforce dedicated to delivering high-quality performance to the City of Wenatchee and our constituents. The department is responsible for policies and programs covering employment, compensation, benefits, recruiting and retention, performance management, labor management, employee relations, organizational development, training and development, succession planning, workforce planning, and compliance with all applicable federal, state and local laws.

2012 Goals & Accomplishments

- ✓ Manage the day-to-day aspects of the labor relations program.
- ✓ Oversee administration of the employee benefits program to attract and retain qualified employees.
- ✓ Manage all federal and state leave laws.
- ✓ Coordinate with Directors/Managers.
- ✓ Successful contract negotiations with Fire (IAFF).
- ✓ Manage Labor & Industries Workers' Compensation program.

- ✓ Oversee LEOFF 1 Disability and Firemen's Pension Boards. Monitor pension requirements.
- ✓ City-wide training – RMSA-U (variety of offerings) and Exceptional Customer Service

- ✓ Transition employee groups to new benefit plan options resulting in less cost to the City.
- ✓ Conduct and/or participate in salary surveys.

2013 Goals

- Work with Directors to begin a workforce succession planning process to prepare for employee retirements.
- Provide leadership on controlling benefits costs and explore options for further savings.
- Begin update of employee handbook and policies.

- Update job descriptions as needed.
- Continue to seek low cost city-wide training.
- Attend labor relations conference.
- Successful contract negotiations with the three union groups.

Finance Department

The Finance Department's mission is to assist the Mayor, Council, City Staff and Citizens in the areas of financial planning, budgeting, reporting and overall stewardship of the City's resources.

The Finance Department is responsible for the administration, coordination, supervision and control of the Cities financial activities. The department performs the following activities in compliance with acceptable accounting practices and state, federal, local and contractual guidelines:

- Accounts Receivable/Payable
- Payroll for 4 employee groups
- Annual Budget Coordination/Preparation
- Annual Financial Report Preparation
- Cash Management
- Internal Control
- Utility Billing & Collection
- Business License
- Local Improvement District Billing
- Transportation Benefit District Finances
- Monthly & Quarterly Financial Reporting
- Manage Financial Software
- Coordinate Annual State Audit
- GWREC PFD Finance

2012 Goals:

- ✓ Complete 2011 City annual financial statements by May 29.
- ✓ Complete 2011 PFD annual financial statements by May 29
- ✓ Finish software set up for special assessment billings (LID's)
- ✓ Update our financial software to provide electronic paystubs and utility bills and begin sending electronic paystubs.
- Develop procedures to monitor and report convention center activities.
- ✓ Establish a standing Finance Committee
- ✓ Develop financial policies
 - Financial and compliance audit completed
 - Hire a finance director.
 - Revise/compile/prepare/present 2013 budget.
 - Develop financial procedures for Transportation District
 - Begin BARS account # conversion
 - Train and turn over PFD financial responsibilities to PFD staff
 - PFD financial and compliance audit completed

General Fund Finance Department

	2010 Actual	2011 Actual	2012 Budget	2013 Budget		Change from 2012 \$ %	
			Final Budget	As of 9/20/2012	As of 11/15/2012		
Revenues - Interfund charges	652,445	586,327	591,090	262,862	297,468	(293,622)	-50%
Revenues - Charge for services	78,000	78,482	20,200	20,000	0	(20,200)	-100%
Total revenues	730,445	664,809	611,290	282,862	297,468	(313,822)	
Expenses - Salary/benefits	(935,347)	(906,395)	(871,375)	(557,286)	(592,556)	278,819	-32%
Expenses - Misc	(56,399)	(54,766)	(62,600)	(62,600)	(62,600)	0	0%
Expenses - Internal services	(69,730)	(65,350)	(67,100)	(41,470)	(41,470)	25,630	-38%
Total expenses	(1,061,476)	(1,026,511)	(1,001,075)	(661,356)	(696,626)	304,449	
Net impact to general fund	(331,031)	(361,702)	(389,785)	(378,494)	(399,158)	(9,373)	2%
FTE positions	12.0	11.8		6.40	6.40		

2013 Goals:

- Develop and implement an investment policy
- Begin e-bill for utilities
- Complete 2012 City annual financial statements by May 30
- Complete Transportation Benefit District (TBD) financial statements by May 30.
- City & TBD financial and compliance audit completed
- Develop a debt policy
- Provide monthly financial reports
- Negotiate a new contract with Waste Management

- Compile/prepare/present 2014 budget
- Complete BARS account # conversion
- If PFD financial responsibilities haven't been transferred – prepare PFD financials by May 30
- PFD financial and compliance audit completed
- Train and turn over PFD financial responsibilities to PFD staff

Significant 2013 Budget Issues:

The City will begin charging the utility staff and their equipment directly to the utility funds', this reduces recurring expenditures and reduces inter-fund revenues. The Finance Department will no longer provide financial services to the PFD (Town Toyota Center) beginning 1/1/13 which reduces expenses and reduces charge for services. An Accounting Supervisor position will also be added 1/1/13 increasing expenditures and inter-fund charge for services.

Code Enforcement Department

The Code Enforcement Division includes four major functions: front counter, plan review, inspection, and code enforcement. The Code Enforcement building services mission is to support investments in building infrastructure through plan review, inspections, and implementation of the building codes and protect the citizens and visitors of Wenatchee by effectively and efficiently administering state and local building code provisions which provide minimum standards to safeguard life, health, property and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all buildings and structures within our jurisdiction. This is accomplished through fair and consistent enforcement of the codes and standards adopted by the State of Washington.

The Code Enforcement Division is responsible for:

- Provide front counter services for the entire Public Services Center including Recreation.
- Responding to inquiries from the general public
- Intake all Building and Planning permit applications
- Intake Environmental and Engineering applications
- Routing, creating and coordination of all applications
- Review all building plans for code compliance
- Issuance of 400-600 permits yearly
- Provide approximately 2400 inspections yearly
- Provide flood elevation determinations, inspections and certificates
- Code compliance and nuisance abatement with an emphasis on inoperable vehicles, poor property maintenance, garbage and debris and substandard housing conditions
- Provide new business license inspections

2012 Goals:

- ✓ Issue approximately 500 permits
- ✓ Perform 2400 building inspections
- ✓ Perform business license inspections for new and relocated businesses
- ✓ Host citywide recycle event on March 31, 2012
- ✓ Code Enforcement emphasis in the CDBG area
- ✓ Process approximately 500 code enforcement cases
- ✓ Continue plan archival in the vault
- ✓ Explore permitting software options
- ✓ Streamline permitting process
- ✓ Provide efficient floodplain management and flood information services to our resident

General Fund Code Enforcement Department

	2010 Actual	2011 Actual	2012 Budget Final Budget	2013 Budget		Change from 2012 \$ %	
				As of 9/20/2012	As of 11/15/2012		
Revenues - Interfund charges	32,722	128,636	76,900	46,700	46,700	(30,200)	-39%
Revenues - Charge for services	329,722	356,352	326,900	315,000	315,000	(11,900)	-4%
Total revenues	362,444	484,988	403,800	361,700	361,700	(42,100)	
Expenses - Salary/benefits	(491,709)	(504,650)	(529,725)	(522,905)	(528,502)	1,223	0%
Expenses - Misc	(18,859)	(15,335)	(17,582)	(17,582)	(20,295)	(2,713)	15%
Expenses - Internal services	(31,702)	(34,342)	(33,168)	(35,535)	(35,535)	(2,367)	7%
Total expenses	(542,270)	(554,327)	(580,475)	(576,022)	(584,332)	(3,857)	
Net impact to general fund	(179,826)	(69,339)	(176,675)	(214,322)	(222,632)	(45,957)	26%
FTE positions	6.0	6.0		5.50	5.70		

2013 Goals:

- Evaluate and recommend purchase and implementation of permitting and code enforcement software
- Continue staff training to maintain current understanding of codes and facilitate staff development
- Develop new and enhance existing policies which apply to specific situations that the codes do not specifically address in order to promote consistency and fairness in the enforcement of codes
- Implement mandated 2012 International Codes (Adoption July 1, 2013)
- Continue working on streamline permitting
- Host citywide recycle event in the spring if funded
- Update department website to improve access to information
- Provide accountable review of all permit applications in a timely manner
- Continue to work on records management backlog.
- The emphasis for the coming year is to respond to day-to-day inquiries and ensure that divisional operations are conducted efficiently and professionally, with a focus on customer friendly service

Significant 2013 Budget Issues:

- Permitting software purchase to replace the current unsupported software is budgeted as a non-recurring expenditure (\$30,000).
- 2012 International Codes Adoption Effective July 1, 2013 is budgeted as a non-recurring expenditure (\$4,000).
- We believe building permit activity has stabilized; however, there are no large commercial projects planned for construction at this time.

Planning Department

The Community Development Department-Planning Division is responsible for working with the community to provide planning services that guide development, improve the quality of life for its citizens, and enhance the economic health of the City.

The Planning Division is responsible for:

- Building permit reviews for zoning, critical areas, and SEPA compliance
- Addressing, assigning new addresses and processing address change requests
- Processing land use applications, including subdivisions, boundary line adjustments, binding site plans, planned developments, conditional use permits, and variances
- Comprehensive Planning and Growth Management Act compliance
- Zoning and Development Regulations, including Subdivisions and Critical Areas
- State Environmental Policy Act (SEPA) compliance
- Shoreline Management Act compliance
- Wenatchee Historic Preservation Program, including reviewing actions for historic preservation compliance and staff to the Historic Preservation Board
- Staff to the Planning Commission, and Hearing Examiner
- Processing City annexations
- Chelan-Douglas Counties Homeless Plan, including staff to Homeless Housing Task Force, and administration of local homeless recording fees, State Consolidated Homeless Grant, and State Housing and Essential Needs grant
- Administration and implementation of Community Development Block Grant (CDBG) entitlement program
- Economic Development, for example Local Revitalization Financing program

2012 Goals:

- ✓ Wenatchee Consolidated Plan Update
- ✓ Annual Capital Facilities Plan and Wenatchee Comprehensive Plan Amendments
- ✓ EDI-SP Grant Administration for Pybus Market
- ✓ AIA SDAT Grant for South Wenatchee visioning
- ✓ City property transfer to Hospitality House Ministries
- ✓ Consolidated Homeless Grant implementation
- ✓ Develop Pit Property Preliminary Development Plans
- ✓ 25 North Worthen Site Enhancement and Marketing
- ✓ Grandview Historic District Code Update
- ✓ Cottage Housing Code Amendments
- ✓ Chelan-Douglas Homeless Plan Update
- ✓ Fifth Street Secondary Access Planning
- ✓ Shoreline Master Program Update

General Fund Planning Department

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues - Interfund charges	19,724	17,772	53,850	50,000	124,800	70,950	132%
Revenues - Charge for services	13,196	27,988	18,000	15,050	15,050	(2,950)	-16%
Revenues - Transfers in 117	35,635	29,705	0	30,000		0	#DIV/0!
Total revenues	68,555	75,465	71,850	95,050	139,850	68,000	
Expenses - Salary/benefits	(302,641)	(283,972)	(331,285)	(343,945)	(432,922)	(101,637)	31%
Expenses - Misc	(31,610)	(28,546)	(43,984)	(43,984)	(44,982)	(998)	2%
Expenses - Internal services	(59,817)	(50,394)	(29,783)	(29,251)	(30,673)	(890)	3%
Total expenses	(394,068)	(362,912)	(405,052)	(417,180)	(508,577)	(103,525)	
Net impact to general fund	(325,513)	(287,447)	(333,202)	(322,130)	(368,727)	(35,525)	11%
FTE positions	4.02	4.02		3.82	4.82		

2013 Goals:

List to be verified through annual work plan development process.

- Annual Capital Facilities Plan and Wenatchee Comprehensive Plan Amendments
- Complete Shoreline Master Program Update
- South Wenatchee Sub-Area Plan
- Downtown Sidewalk Uses Demonstration Program
- Downtown Streetscape Rehabilitation LID Planning
- Historic Preservation Workshops funded by DAHP grant
- Fifth Street Secondary Access Planning
- Priority Development Code Amendments

Significant 2013 Budget Issues:

- Additional staff to administer and implement the State homeless and low income program grants. This increases expenditures and inter-fund charges.

Engineering Department

Engineering provides technical services to the public, developers, and other City Departments. Engineering is responsible for:

- Right of way management
- Traffic engineering
- Infrastructure management
- Infrastructure comprehensive planning
- Design and construction of City capital projects
- Development project review and permitting
- Provides engineering services to all City departments
- Obtains grants and low interest loan funding from Federal and State sources
- Assists in regional transportation planning and coordination

2012 Goals:

- ✓ WWTP Odor and Visual upgrades construction inspection
- ✓ Sellar West Bridge Coordination with WSDOT
- ✓ ROW completed and good start to construction on S. Wenatchee Avenue
- ✓ Completion of Fifth Street Safety Improvements Project
- ✓ Worthen/Orondo Road Improvement Project
- ✓ ROW complete for Riverside Drive
- ✓ Pine Street Improvements Design
- ✓ 30% Design on N. Wenatchee Preservation Project
- ✓ 30% Design of the Squilchuck Lift Station upgrades/relocation
- ✓ Design and Construction of the Crawford water line replacement
- ✓ Parkside sidewalks construction
- ✓ Secured \$1.2M in Safety Funding for SR 285 and \$0.8M for Western Ave. Safety
- ✓ Submitted grant applications for safe routes (Okanogan/Red Apple), Downtown Streetscape, Downtown Pedestrian/Bike Improvements, Millerdale Improvements, Chelan/Miller intersection
- ✓ GIS Database Improvements, LIDAR data in hand
- ✓ Exceeded Expectations for Interfund Billing
- ✓ Setup a TBD District and Initiated Revisions to the Street Preservation Program
- ✓ Formalized and Documented Approach to Signal Maintenance Activities.
- ✓ Traffic Counters Secured, new counts again in 2012
- ✓ Community Development shared: Pit property, Broadview, 6-year-TIP, and Worthen Property
- ✓ Utility Accounts Customer Service Improvements
 - Truck Routes: identity of Route Restrictions and Plans for Routing Away from Downtown
 - Sign Retroreflectivity Compliance and Street Naming Sign
 - Stray Voltage Testing
 - Bicycle Detection Compliance
 - Pavement Preservation Program Update
 - Data and Records Management
 - Orondo Moorage Completion
 - Fifth Street Secondary Access

General Fund Engineering Department

	2012 Budget		2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$ %
Revenues - Interfund charges	469,888	476,872	530,900	470,900	581,506	50,606 10%
Revenues - Charge for services	38,594	41,830	34,400	37,680	37,680	3,280 10%
Total revenues	508,482	518,702	565,300	508,580	619,186	53,886
Expenses - Salary/benefits	(588,631)	(598,808)	(620,861)	(623,891)	(726,450)	(105,589) 17%
Expenses - Misc	(28,703)	(21,397)	(27,435)	(27,435)	(34,635)	(7,200) 26%
Expenses - Internal services	(44,087)	(48,323)	(49,184)	(49,103)	(49,104)	80 0%
Total expenses	(661,421)	(668,528)	(697,480)	(700,429)	(810,189)	(112,709)
Net impact to general fund	(152,939)	(149,826)	(132,180)	(191,849)	(191,003)	(58,823) 45%
FTE positions	6.25	6.25		6.05	6.95	

2013 Goals:

- WWTP construction completion
- Sellar West project completion
- S. Wenatchee Avenue construction completion
- Pine Street construction completion
- N. Wenatchee Avenue preservation construction completion

- Progress on McKittrick Signal at Wenatchee Ave. (working on master plan access improvements)
- Design starts on safety projects including Bike/Ped and Western Ave.
- Pavement Preservation Program and 2013 project utilizing overlay and TBD funding
- Secure Grant funding for 2012 applications
- Grant applications for all available/applicable programs
- Red Apple Road waterline replacement design/construct
- Booster Pump Station #1 rehab
- Western Hills Joint Stormwater Facility Design/construct
- Street Signing and pavement markings maintenance programs
- Adopted engineering standards for water, sewer, electric, street, storm
- Sidewalks condition/assessment
- Stray voltage testing complete
- School Zone safety improvement

Significant 2013 Budget Issues:

- Influx of capital funding has created a bow wave of work through 2015. Additional staff budgeted to administer the projects increasing expenditures and charge for services.
- GIS Software advancements allow efficient data management (approx. Need \$10,000)

Recreation Department

The City of Wenatchee provides a Parks and Recreation Department to help realize important outcomes that are vital to make the community a healthy and vibrant place to live, shop, work and play. These outcomes include:

- Strengthening community image and sense of place
- Supporting economic development
- Fostering human development
- Protecting environmental resources
- Increasing self-esteem and self-reliance
- Promoting health and wellness
- Increasing cultural unity
- Providing recreational experiences

2012 Goals and Objectives

A primary goal of the Department is to offer high quality recreation programs and activities for all ages, interests and abilities within available resources to achieve Departmental outcomes. In 2012, the Department provided programs and events that emphasized fun, safety, physical fitness, community building, skill development and life enrichment. Strategic actions completed in 2012 included:

- ✓ Partnered with, and assisted outside organizations to conduct community programs and events.
- ✓ Completed preparation and adoption of the Recreation Program Pricing Plan.
- ✓ Implemented an online recreation program registration system to improve customer service.
- ✓ Solicited over \$25,000 in donations and financial sponsorships for the provision of programs.
- ✓ Over 31,000 people attended or participated in 26 programs and events coordinated by the Department

A secondary goal of the Department is to provide a high quality park system that offers a wide variety of recreational opportunities for residents and visitors to the community. To this end, the Department manages 15 park areas totaling over 404 acres, the City pool and Community Center. It strives to meet park and natural area needs as defined in the City Comprehensive Plan by maximizing outside resources and through planning activities, development of partnerships and grant applications. Strategic actions completed in 2012 included:

- ✓ Completed adoption of the 2012-18 Parks, Recreation and Open Space Comprehensive Plan.
- ✓ Processed over 250 park facility reservations and 20 special event permit applications.
- ✓ Partnered with the Riverview Kiwanis Club for the Washington Park Picnic Shelter Replacement Project.
- ✓ Partnered with the Rotary Club for the Washington Park ADA accessibility Project.
- ✓ Worked with the Department of Transportation to coordinate Locomotive and Lincoln Park projects.
- ✓ Completed preparation of 14 grant applications for programs and services totaling \$6,013,000.
- ✓ Began the tree ordinance update project funded through a Department of Natural Resources grant.
- ✓ Developed new Advisory Board, alcoholic beverage area and inflatable play equipment administrative policies and procedures.
- ✓ Completed the installation of security cameras at Pioneer Park through an AWC RMSA Grant.
- ✓ Partnered with the Chelan Douglas Land Trust to implement temporary parking measures at Saddle Rock.
- ✓ Completed 2010 RCO WWRP LP Saddle Rock Acquisition Grant and closed the project.
- ✓ Worked with the Engineering Department to begin the Western Hills Joint Use Facility Project.
- ✓ Entered into a Service Provider Agreement with the American Red Cross to receive a discount on certification fees.
- ✓ Received the Tree City USA award.

General Fund Recreation Department

	2010 Actual	2011 Actual	2012 Budget	2013 Budget		Change from 2012	
			Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues - Hotel/Motel tax			29,860	0	0	(29,860)	-100%
Revenues - Charge for services	110,373	108,270	79,700	73,330	73,330	(6,370)	-8%
Total revenues	110,373	108,270	109,560	73,330	73,330	(36,230)	
Expenses - Salary/benefits	(418,877)	(379,025)	(366,209)	(372,867)	(389,083)	(22,874)	6%
Expenses - Misc	(155,943)	(139,306)	(165,632)	(140,332)	(138,943)	26,689	-16%
Expenses - Internal services	(24,439)	(35,471)	(29,111)	(32,061)	(33,450)	(4,339)	15%
Total expenses	(599,259)	(553,802)	(560,952)	(545,260)	(561,476)	(524)	
Net impact to general fund	(488,886)	(445,532)	(451,392)	(471,930)	(488,146)	(36,754)	8%
FTE positions	3.1	2.5		2.50	2.50		

2013 Goals and Objectives

The Parks and Recreation Department has three primary goals for 2013. They are:

- Provide a high quality park system that offers a wide variety of recreational opportunities within the available budget.
- Provide a comprehensive offering of outdoor and indoor recreation programs to meet the leisure needs of all age groups and interests within available resources.
- Continue to seek out and acquire alternative sources of funding to support Departmental services.
- Capital request to install a lift at the City pool (\$8,000) funded in non-recurring expenditures

Parks Maintenance Department

This division of the Public Works Department has the responsibility for the operation and maintenance of the City's park system. This includes 14 City parks and the landscaping at various locations throughout the City. The Parks Maintenance Division plants and maintains over 100 floral baskets in the downtown core and prunes, maintains and decorates over 300 trees along downtown arterials. The parks crew also maintains the landscaping around city buildings, landscaping along roadways and the Convention Center. The Parks Maintenance Division also provides assistance to the Cemetery Maintenance crew when necessary.

In the winter the Parks Maintenance Division is responsible for snow and ice control for the walkways within the parks as well as all of the sidewalks that adjoin City property. The parks crew also clears the snow and ice at all of the City's buildings including City Hall, the new and old Police Stations, the Fire Stations, Public Works, the Museum, the Community Center and the Convention Center.

Three emerging areas of responsibility for the Parks Maintenance Division are assessing and mitigating the risk exposure in the City's parks, maintaining the Rotary Park Splash Pad and maintaining storm drainage facilities alongside recently constructed roadways. All of these emerging duties are time consuming and, in the case of risk management, require additional staff training.

The Parks Maintenance Department is responsible for:

- Maintain 14 City Parks including
 - Irrigations systems – pumps, valves, filters, controllers, pipes and sprinklers
 - Turf management – mowing, fertilizing, irrigating, weed control, trimming
 - Trees – pruning, irrigating, pest control
 - Playgrounds – Maintenance and repair of community playground equipment
 - Restrooms – maintain and clean restrooms at 6 parks
 - General park maintenance – flowers, shrubs, bushes, garbage cans, walkways, graffiti
- Maintain exterior of City Facilities
 - City Hall, Historic Police Station, Police Station, Museum, Fires Stations, Public Services Center, Community Center, Convention Center
- Snow removal and ice control at all City Facilities and City parking lots including Amtrak terminal
- Maintain Downtown core Streetscape landscaping

2012 Goals:

- ✓ Install new irrigation system, topsoil and hydro seed expanded Riverfront Park at former Public Works facility on Worthen Street
- ✓ Paint all restrooms
- ✓ Install additional drains and infiltration area at Rotary Park in the vicinity of the Splash Pad
- ✓ Be involved in new Streetscape planning in Downtown core

General Fund Parks Maintenance Department

	2010 Actual	2011 Actual	2012 Budget	2013 Budget		Change from 2012	
			Final Budget	As of 9/20/2012	As of 11/15/2012		
Revenues - Interfund charges	61,103	69,840	56,500	60,000	60,000	3,500	6%
Revenues - Charge for services	8,065	8,725	8,000	8,000	8,000	0	0%
Total revenues	69,168	78,565	64,500	68,000	68,000	3,500	
Expenses - Salary/benefits	(581,689)	(520,935)	(562,573)	(578,312)	(607,078)	(44,505)	8%
Expenses - Misc	(121,383)	(138,052)	(127,752)	(127,752)	(137,752)	(10,000)	8%
Expenses - Internal services	(102,680)	(113,135)	(112,452)	(132,541)	(132,541)	(20,089)	18%
Total expenses	(805,752)	(772,122)	(802,777)	(838,605)	(877,371)	(74,594)	
Net impact to general fund	(667,416)	(614,992)	(673,777)	(702,605)	(741,371)	(67,594)	10%
FTE positions	7.45	7.05		7.05	7.15		

2013 Goals:

- Update landscaping at entrances to Lincoln Park associated with the George Seller West Interchange Project
- Work with WSDOT Contractor on changes to Locomotive Park landscaping and irrigation
- Install Rainbow Park domestic Water Service

Significant 2013 Budget Issues:

The single largest budget issue for the past several years has been and continues to be the lack of available labor, especially through the spring and summer months. Seasonal employees are an essential part of any and all municipal parks operations and without those season workers the quality of the parks facilities suffer and the level of service provided to the citizens using those parks is dramatically lowered. The final 2013 budget includes funding for 3 seasonal positions and additional supplies.

Museum Department

The Museum Department is staffed by a Director and a part-time Secretary.

Wenatchee Valley Museum & Cultural Center is a public-private partnership with the WVMCC museum association, a 501(c)3 non-profit corporation. The museum association has a 12-member board of trustees that includes a city council representative. The director reports to the board of trustees, the mayor and city council. The director also provides staff support to the Wenatchee Arts Commission.

The mission of the museum is to inspire dynamic connections to the rich heritage of the Wenatchee Valley. The museum serves as the only professionally managed repository for the history and heritage of Wenatchee and is responsible for the care, preservation and access to a collection of 52,584 artifacts, art, archives and photographs that tell the story of the people, places and events of the Wenatchee area.

The Museum Department responsibilities are to:

- Hire and manage museum association staff to care for and share, through educational programs, a collection of historical artifacts, art, science specimens and ethnographical objects in accordance with professional museum standards
- Assist in coordinating and implementing programs of the Wenatchee Arts Commission.
- Advise the museum association on operations with regard to the policies of the city
- Solicit input from the museum association regarding budget proposals to the city council and submit any requests for funding to the city
- Provide day-to-day operational support of the museum in accordance with professional museum standards
- Provide meeting and work space for the museum and provide assistance with the creation of museum exhibits and other programs of the museum
- Advise the city and museum on the overall cultural and historic needs of the city
- Provide support to the museum board of trustees and the Wenatchee Arts Commission

General Fund Museum Department

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues - Hotel/Motel tax		48,000	48,000	0	0	(48,000)	-100%
Revenues - Transfers in 101		14,722	11,670	0	0	(11,670)	-100%
Total revenues	0	62,722	59,670	0	0	(59,670)	
Expenses - Salary/benefits	(399,010)	(406,869)	(342,227)	(163,254)	(162,845)	179,382	-52%
Expenses - Misc	(61,143)	(59,350)	(117,276)	(159,076)	(159,076)	(41,800)	36%
Expenses - Internal services	(57,978)	(49,971)	(51,048)	(49,430)	(49,430)	1,618	-3%
Total expenses	(518,131)	(516,190)	(510,551)	(371,760)	(371,351)	139,200	
Net impact to general fund	(518,131)	(453,468)	(450,881)	(371,760)	(371,351)	79,530	-18%
FTE positions	5.0	5.0		1.52	1.52		

2013 Goals:

- Streamline museum operations to compensate for large budget reduction to Museum Department
- Restructure staff and duties to continue to provide a meaningful level of service to the public
- Act as liaison between museum and city regarding cultural and historic needs and budget
- Provide staff to and coordinate activities of Wenatchee Arts Commission

Significant 2013 Budget Issues:

The Museum Department sustained severe budget cuts implemented July 2012. At that time, museum staff was reduced from 5 full time employees to 1.5 employees. A contract with the museum association has allowed the museum to continue to operate with a reduced level of service to the public. The budget cut served to reduce the professional capacity of the museum that raised the quality and quantity of services to a high level over the past 5 years. The Museum Department would seek to strengthen its position both in the community and through city resources to provide services as a heritage resource, a community asset and cultural attraction as the City is able. Current needs include janitorial services and funding for a Curator.

Fire Department

The Fire & Rescue department's mission is to provide the highest level of fire protection services for the citizens of Wenatchee through the management and coordination of personnel, facilities, apparatus, and equipment resources. Emergency response includes fire suppression and emergency medical services as well as hazardous materials and other technical rescues.

Department fire prevention programs consist of fire and life safety inspections; site, building and fire protection system plan review; fire investigations; and public education such as fire safety, injury prevention, and disaster preparedness.

The Fire & Rescue department is also responsible for the coordination of the city's emergency management planning including compliance with the National Incident Management System (NIMS) and maintenance of the Wenatchee Comprehensive Emergency Management Plan.

2012 Goals:

- ✓ Maintain current operational service levels through fiscal efficiency and accountability.
- Update the City of Wenatchee Comprehensive Emergency Management Plan.
- ✓ Coordinate the City Emergency Management program and 2012 NIMS compliance.
- ✓ Maintain current fire prevention and code enforcement program and service levels.
- City Council support and approval for an apparatus replacement and purchasing plan.
- ✓ Execute the FEMA Grant funding exhaust system upgrades for both fire stations.
- ✓ Coordinate the Station 41 floor drain improvement project.
- ✓ Continue monthly joint training program with Chelan County Fire District #1 and Douglas County Fire District #2.
- ✓ Finish the installation phase of the community smoke detector program and begin project evaluation and follow-up.

General Fund Fire Department

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues - Charge for services	56,526	51,388	59,000	56,000	56,000	(3,000)	-5%
Expenses - Salary/benefits	(3,431,548)	(3,293,857)	(3,207,641)	(3,010,935)	(3,016,495)	191,146	-6%
Expenses - Misc	(132,425)	(98,085)	(120,751)	(120,751)	(114,751)	6,000	-5%
Expenses - Internal services	(184,681)	(176,488)	(215,426)	(251,375)	(251,375)	(35,949)	17%
Total expenses	(3,748,654)	(3,568,430)	(3,543,818)	(3,383,061)	(3,382,621)	161,197	
Net impact to general fund	(3,692,128)	(3,517,042)	(3,484,818)	(3,327,061)	(3,326,621)	158,197	-5%
FTE's Firefighters	30.0	28.0		26.00	26.00		
FTE's Admin	4.0	4.0		3.30	3.30		
Total FTE's	34.0	32.0		29.30	29.30		

2013 Department Goals:

- Implement cross-staffing of department apparatus to extend the service life and reduce annual maintenance and operating costs of the front-line engine and ladder (quint).
- Secure City Council support for long-term apparatus replacement plan and funding.
- Implement quality improvement of department operations (apparatus, equipment, and facilities) and department safety and training programs through BC day positions.
- Develop 24/7 duty chief coverage to meet response time and performance standards in a cost-effective manner.
- Improve department information management and reporting by transitioning to Emergency Reporting Fire/EMS Records Management.
- Develop and implement a common plan review process, inspection programs, and hydrant system programs with the Code Enforcement Division.
- Conduct follow-up and project evaluation of the FEMA Fire Prevention and Safety Grant smoke detector program.
- Update the City of Wenatchee Comprehensive Emergency Management Plan.

Significant 2013 Budget Issues:

Funding for the department's long-term apparatus replacement plan.

Police Department

The Police Department's mission is to promote a safe community and quality of life through protection and service. The Police Department is responsible for the administration, coordination, supervision and control of the Cities public safety. The department preforms the following activities in compliance with City, State and Federal, rules, ordinances and laws:

- Patrol
- SWAT
- Off-Duty Overtime Contracts
- Reserves
- Armorer/Firearms
- Emergency Management
- Volunteers in Police Service
- Citizens Academy
- K-9 Program
- Investigations
- Gang Interdiction/Enforcement
- RiverCom Board
- Accreditation
- Target Zero Traffic Safety Task Force/LEL
- Drug Investigations/CRDTF
- Chelan County Regional Jail Liaison
- Budget/Grant Management
- Parking Enforcement
- Evidence Management
- Technical I/S Systems Management
- Crime Statistics/Mapping
- Automated Enforcement System Management

2012 Goals:

- Sergeants Promotional Exam
- ✓ Review Patrol Scheduling
- ✓ Cowell Homicide Investigation
- Guild Bill of Rights Completion
- ✓ Initiate K-9 Program/Funding
- Prepare for 2013 Accreditation Assessment
- ✓ Maintain Effective Level of Service w/budget Reduction
- ✓ Palouse Street Fire Investigation
- Revised Records Hours of Service
- ✓ NIBRS Compliance Acquire Lexipol Policy/Procedures
- ✓ Drug Take Back Program
- ✓ VISTA Volunteer
- ICS Certifications
- ✓ Acquisition Spillman Law Forms Module
- Public Disclosure
- Identify Replacement In-car Video System
- WDA 3-hour Parking
- ✓ Establish Council Security Plan
- Reduce L&I Loss Ratio
- Partner w/Wenatchee School District
- ✓ Elimination of Outside Agency Apple Blossom Officers
- ✓ Gang suppression and Intervention
- ✓ Maintain Volunteer Programs (VIPS/Reserves)
- ✓ Citizens Academy
- Reduce Work Related Accidents/Injuries
- ✓ Initiate Good Neighbor Agreements with Night Clubs
- ✓ Community Relations Events
- ✓ Graffiti Eradication Program
- ✓ Glock "Gen 4" Firearms Transition

General Fund Police Department

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues - Charge for services	951,994	1,270,125	1,178,930	1,142,900	1,142,900	(36,030)	-3%
Revenues - Grants DTF	49,251	66,423	42,210	16,020	16,020	(26,190)	-62%
Total revenues	1,001,245	1,336,548	1,221,140	1,158,920	1,158,920	(62,220)	
Expenses - Salary/benefits	(5,291,855)	(5,192,150)	(5,243,838)	(5,151,751)	(5,078,321)	165,517	-3%
Expenses - Misc	(425,607)	(517,697)	(470,906)	(470,906)	(447,951)	22,955	-5%
Expenses - Internal services	(624,481)	(580,096)	(633,850)	(690,355)	(690,359)	(56,509)	9%
Total expenses	(6,341,943)	(6,289,943)	(6,348,594)	(6,313,012)	(6,216,631)	131,963	
Net impact to general fund	(5,340,698)	(4,953,395)	(5,127,454)	(5,154,092)	(5,057,711)	69,743	-1%
FTE's Police Officers	38.0	37.0		34.00	33.42		
FTE's Records Dept	10.0	9.0		8.00	8.00		
FTE's Admin	4.0	4.0		4.00	4.00		
Total FTE's	52.0	50.0		46.00	45.42		

2013 Goals:

- Evidence Bar Coding
- Lexipol
- Seek Alternative Grant Funding
- Re-Accreditation
- Expansion Automated Enforcement System
- Spillman Touch
- Guild Contract Negotiations 2014-2016
- Review Fleet Status
- Revised Records Hours of Service
- Increase Training
- Black & White Fleet Transition
- AIA-SDAT Committee/Grant
- Apple Blossom Parade Route Chairs
- ICS Certification
- SRO Funding
- Strategic Plan Update
- Annual Report
- Youth United Vehicle Cleaning
- Officer Involved Shooting Investigations
- Community Relations Events
- Gang Suppression and Intervention
- Annual Report
- Spillman Paperless Reporting
- Sergeants Promotional Exam
- Maintain Volunteer Programs (VIPS/Reserves)
- Continue Good Neighbor Agreements
- Glock "Gen 4" Firearms Transition
- River Rescues

Significant 2013 Budget Issues:

- Contract Negotiations 2014-2016
- High Exposure Workload and Increased Liability
- Sergeants Promotional Exam – 2 Sergeant Openings (\$10,000 funded in the Civil Service budget)
- Fleet Renewal – Aging Vehicles due to Rate Holidays
- Firearms Ammunition
- Staff Reductions Effect on Overtime budget
- Training Funding – Cut past 3 years
- Maintaining Volunteer Programs (Reserves – VIPS)
- 3.2% COLA for Guild employees increasing departmental expense \$78,000
- Gang Suppression and Intervention

Other Public Safety Expenditures

The City has other expenditures relating to public safety that are not under the control of the Police or Fire Departments. These expenditures include:

- The city provides court services by interlocal agreement with Chelan County District Court. The agreement, which expires December 2014, provides for the filing and processing of a number of city infractions and misdemeanors including traffic and non-traffic, photo enforcement, parking, and delinquent tickets. The agreement also provides for probation services, which became an additional cost in 2012. In addition, through a contract with Woods and Brangwin/Collier and Redal, the city is provided services for indigent defense. This contract ends December 2013. In 2011, 4292 hours were attributed to this contract. As of July 2012, 2573 hours were attributed to this contract.
- The city houses inmates by interlocal agreement with the Chelan County Regional Jail. The city pays a lump sum amount that is based on the city maintaining an average of 66 – 70 inmates on a daily basis (2012 contract numbers). In addition, the city is liable for excess medical cost beyond what can be provided by the jail. The budget amount is set annually after reviewing the average daily population for the prior year and the costs per inmate of the Regional Jail. By the end of July 2012, the city was running at 69 for the average daily population.
- Rivercom is the multijurisdictional agency that provides 911 service and dispatch for the Chelan-Douglas County area. The cost of Rivercom is set annually and based on the call volume of the prior year (July to June). In 2012, the city looked to implement priority dispatch for emergency medical service calls, lowering the call volume associated with fire runs creating more efficiencies. This would not be reflected in the budget until a year after it is implemented. In 2011, Wenatchee Police had 18,152 calls and Wenatchee Fire and Rescue had 2,599 calls. The city represented 37% of the call volume for Rivercom.
- The State Law requires all City's with retired LEOFF 1 and pre LEOFF police and fire officers to pay the retirees full medical costs. The City attempts to reduce our exposure to rising medical costs by paying the retirees medical premiums through the City's insurance provider and paying the Part B Medicare premium for eligible retirees. The City is also required to cover any long term care cost the retirees may incur.
- The Civil Service Commission (CSC) is made up of three, volunteer city residents appointed by the Mayor. They are governed under Chapter 41.08 and 41.12 of the RCW's. They are an independent entity representing the interest of all civil service employees (in our case within the Wenatchee Police Department and Wenatchee Fire Department). They are responsible for hiring a Secretary-Examiner to act as their records keeper, etc. Their main functions are to authorize and oversee entry level and promotion exams insuring fair practices are used. Currently, hiring and promoting within the departments has been on hold. The CSC has had to be involved with position eliminations, lay-offs and temporary appointments. Appointing Authorities cannot put civil service employees into temporary positions without the approval of the CSC. It is imperative that temporary appointments be done fairly and that the positions are permanently filled as soon as possible. The CSC monitors this. Planned testing in 2013 is \$10,000 for Police Sergeant vacancies.

Other Public Safety Expenditures

			2012 Budget	2013 Budget			
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	Change from 2012 \$	%
<u>LEOFF health transfers</u>							
Fire	(303,733)	(351,432)	(291,600)	(371,000)	(347,000)	(55,400)	19%
Police	(327,765)	(302,370)	(298,200)	(339,650)	(312,000)	(13,800)	5%
Net impact to general fund	(631,498)	(653,802)	(589,800)	(710,650)	(659,000)	(69,200)	12%
<u>Public safety related</u>							
Revenues - Charge for services	114,288	115,048	124,700	119,700	119,700	(5,000)	-4%
Revenues - Liquor Board			30,000	49,100	59,200	29,200	97%
Total revenues	114,288	115,048	154,700	168,800	178,900	24,200	
Expenses - District court	(524,627)	(671,971)	(699,500)	(699,500)	(699,500)	0	0%
Expenses - Regional jail	(1,913,061)	(1,723,695)	(1,730,000)	(1,730,000)	(1,780,000)	(50,000)	3%
Expenses - Rivercom							
Fire	(97,547)	(105,540)	(111,798)	(114,821)	(114,821)	(3,023)	3%
Police	(745,448)	(771,661)	(780,822)	(803,919)	(803,919)	(23,097)	3%
Civil Service	(14,707)	(11,159)	(13,770)	(11,340)	(21,340)	(7,570)	55%
Total expenses	(3,295,390)	(3,284,026)	(3,335,890)	(3,359,580)	(3,419,580)	(83,690)	
Net impact to general fund	(3,066,814)	(3,053,930)	(3,026,490)	(3,021,980)	(3,061,780)	(35,290)	1%

Other Administrative

The Other Administrative group are services or fees for the general operation of the General Fund that are not allocated to a specific department or expenditures to community organizations as directed by City Council. Below is an overview of the line items and the purpose for this funding.

Other Administrative							
	2010	2011	2012 Budget	2013 Budget		Change from 2012	
	Actual	Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Expenses-PFD contingency	(1,591,681)	(1,763,306)	(1,475,000)	(200,000)	(200,000)	1,275,000	-86%
Expenses - Debt service	(310,040)	(1,001,676)	(317,746)	(360,526)	(360,525)	(42,779)	13%
Expenses - Transfers out 430	(20,000)	(93,400)	(91,000)	(91,000)	(91,000)	0	0%
Expenses - Transfers out 114					(20,000)		#DIV/0!
Expenses - City Attorney	(351,187)	(319,295)	(342,200)	(342,200)	(342,200)	0	0%
Expenses - Code clean up		(1,513)	(5,000)	0	0	5,000	-100%
Expenses - Interfund services							
Building maintenances	(290,904)	(271,080)	(240,200)	(261,800)	(261,800)	(21,600)	9%
Prop / liab insurance	(317,100)	(327,300)	(327,300)	(375,200)	(353,700)	(26,400)	8%
Expenses - Community services							
Hospitality House	(14,175)	(590)	(400)	0	0	400	-100%
Senior Center	(3,500)	(3,100)	(2,500)	(2,500)	(2,500)	0	0%
WDA	(22,000)	(19,400)	(17,700)	(17,700)	(17,700)	0	0%
Women's Resource	(6,000)					0	
Row & Paddle Club		(2,240)	(2,240)	(2,240)	(2,240)	0	0%
Revenues - Rental income			2,240	2,240	2,240	0	0%
Expenses - Contracted service							
Animal control	(199,906)	(201,305)	(191,235)	(191,235)	(191,235)	0	0%
Library	(63,044)	(22,374)	(12,200)	(12,200)	(12,200)	0	0%
Net impact to general fund	(3,189,537)	(4,026,579)	(3,022,481)	(1,854,361)	(1,852,860)	1,189,621	-39%

PFD Contingency

This is the line item that represents the expenditures related to solving the Public Facilities District / Town Toyota Center issue. In years 2009 through 2011, this expenditure was utilized for making loans to the Public Facilities District for the interest payment on the PFD Bonds which were issued in 2008 to purchase the Town Toyota Center. The interest only bond anticipation notes were supported with a contingent loan agreement from the City of Wenatchee. In 2011, these bonds went into default, and the City has used this line item to address legal costs associated with the default, to pay the costs of the election for the PFD resulting in a 1/10th of a percent sales tax increase across the region, and to pay the costs associated with supporting the operation of the PFD's Town Toyota Center through calendar year 2012 according to the Third Amendment to the Interlocal Agreement between the City and Greater Wenatchee Regional Events Center Public Facilities District in February of 2012.

In 2013, this line item will be used in accordance to Ordinance 2012-21 in which the City agreed to support the operation of the Town Toyota Center up to \$200,000, annually. A newly enacted 2/10ths of a percent city-wide sales tax, the 1/10th of a percent district wide PFD sales tax will be dedicated to cover bond debt service and designated reserve accounts. In addition, funds will be set aside to repay Fund 502 (Self Insurance) reserves which were used in 2011 for legal costs associated with the bond default and a Chelan County Superior Court proceeding needed for a determination on the validity of the contingent loan agreement that supported the original bond anticipation note issuance.

Debt Service

This line item represents General Fund commitments to debt service outside of other funding sources. Represented in this line item is the costs associated with the Council Chamber upgrade in 2008 (\$16,000), the portion of the overlay bonds that are supported by the General Fund property taxes (\$201,766), the interest on the notes with Cashmere Valley Bank that were issued for the construction of the Public Services Center (\$71,500) and repayment of the 2008 interfund

loan from the Cemetery Endowment Fund to partially fund the City's match requirements for the construction of the Public Facility District building (\$72,000).

Cemetery Fund (Fund 430)

This line item represents the General Fund support needed to operate the Wenatchee Cemetery. A further description is included in the Cemetery Fund 430.

Community Center (Fund 114)

This line item represents the General Fund support needed to operate the Community Center on South Chelan Ave; further description of this fund is included in the Special Revenue section Community Center Fund 114.

City Attorney

The City contracts with Johnson, Gaukroger, Smith and Marchant PLLC for City Attorney and Prosecution services. The contract runs through December 31, 2013 and is a "lump sum" contract to provide the services required by the city. The budget allocated to this line item does not reflect \$56,700 that was billed for services to the city's other funds. In 2011 3,922 hours were logged in with work on city issues (administration, code enforcement, planning, police, prosecution/police court, prosecution administration, public works, parks/recreation and water/sewer).

Code Enforcement Clean Up

The 2012 budget was amended to address a cleanup/abatement of a property under a code enforcement action. Occasionally, this occurs when cases are not resolved through voluntary compliance. These cases require the city to perform abatement on private property to address the problem. The city is entitled to recovery of these costs through the lien process and thus this budget line item is a start to a revolving abatement fund. In future years, depending on the level of clean up the city wants to pursue city wide, this line item could increase to accommodate the greater emphasis.

Interfund Services

Building maintenance - The Public Works Department's Facility Maintenance Division is responsible for the building maintenance for all of the City's facilities. This includes City Hall, the Police Station, the Historic Police Station (home of Information Services/Facility Maintenance/Drug Task Force), the Public Services Center Complex, the Museum Complex, the Community Center, two Fire Stations, the City Pool and Bathhouse and some of the work at the buildings in City parks. This fund primarily derives its revenue from a general fund transfer in the "other administrative" section of the budget. Other non-general fund departments also contribute to the Facility Maintenance fund for facility maintenance and upkeep.

Property/Liability Insurance – The City is insured for property and liability insurance through Association of Washington Cities Risk Management Services Agency pool. AWC RMSA had 86 member municipalities as of December 31, 2011. Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. AWC RMSA, itself, pays out of its own funds all claims up to \$250,000 for liability and \$50,000 for property, and thereafter purchases excess liability insurance. The revenue for this fund is from a general fund transfer in the "other administrative" section of the budget and other operating funds.

Community Services

The City makes a number of investments in community services from the General Fund. The following are reflected in this line item with a brief explanation of the investment.

- The City has transitioned the Hospitality House property to the Hospitality House from City ownership. This has resulted in the lowering of utility costs supported by the General Fund for the support of this service. The Hospitality House has access to the city's Low Income/Homeless Housing funds (through the application process) to support shelter needs.
- The City has supported the Wenatchee Valley Senior Activity Center on an ongoing basis since the new building was constructed on Maple Street.

- The Wenatchee Downtown Association (WDA) provides several services on behalf of the city encouraging reinvestment in the downtown core. Volunteer efforts are coordinated through the WDA that provide assistance for beautification and streetscape maintenance, downtown marketing, recruitment and reinvestment (growing property tax) and they host a number of events that encourage retail sales in the district.
- The City holds a lease with the Chelan County Public Utility District for land that houses the Wenatchee Row and Paddle Club (WRPC) storage facility on the city's waterfront. The WRPC hosts public paddles and educational events on behalf of the city that encourage boater safety and water safety education. This line item and the Rental Income line item reflect the leasehold excise tax for the property that is paid by the WRPC which the city provides to the Department of Revenue as required by the lease.

Contracted Services

The City has a two contracted services that are not reflected elsewhere in the budget:

- The Animal Control contract runs through December 31, 2013. The contract with the Wenatchee Valley Humane Society ensures the enforcement of the City's animal control code (WMC 5.28). The reduction in contract amount in 2012 and 2013 was facilitated by allowing an increase in animal licensing fees that would offset the contract decrease but still allow the Humane Society to provide the same level of service to the City.
- The city's contract with the North Central Regional Library District provides for the lease and operation of the Wenatchee Public Library on Douglas Street. The reduction in budget from 2010 to 2012 is a result of the library leasing 100% (instead of 50%) of the building on Douglas Street that is co-owned by the City of Wenatchee and the North Central Regional Library District.

Nonrecurring Activity

Nonrecurring activities are one time or uncertain revenues and expenditures that are inconsistent and would distort the city's ability to determine the costs to operate on a daily basis. These activities usually consist of grant activities that will stop with the funding source, donations and irregular transfers to/from other city funds. Due to the uncertainty of these items they usually require a yearend budget amendment.

Funded capital requests and non-recurring activity are:

- Replacement of unsupported permitting software \$28,500
- Install lift at the City pool \$8,000
- Contingency to cover additional costs relating to 3 union negotiations.

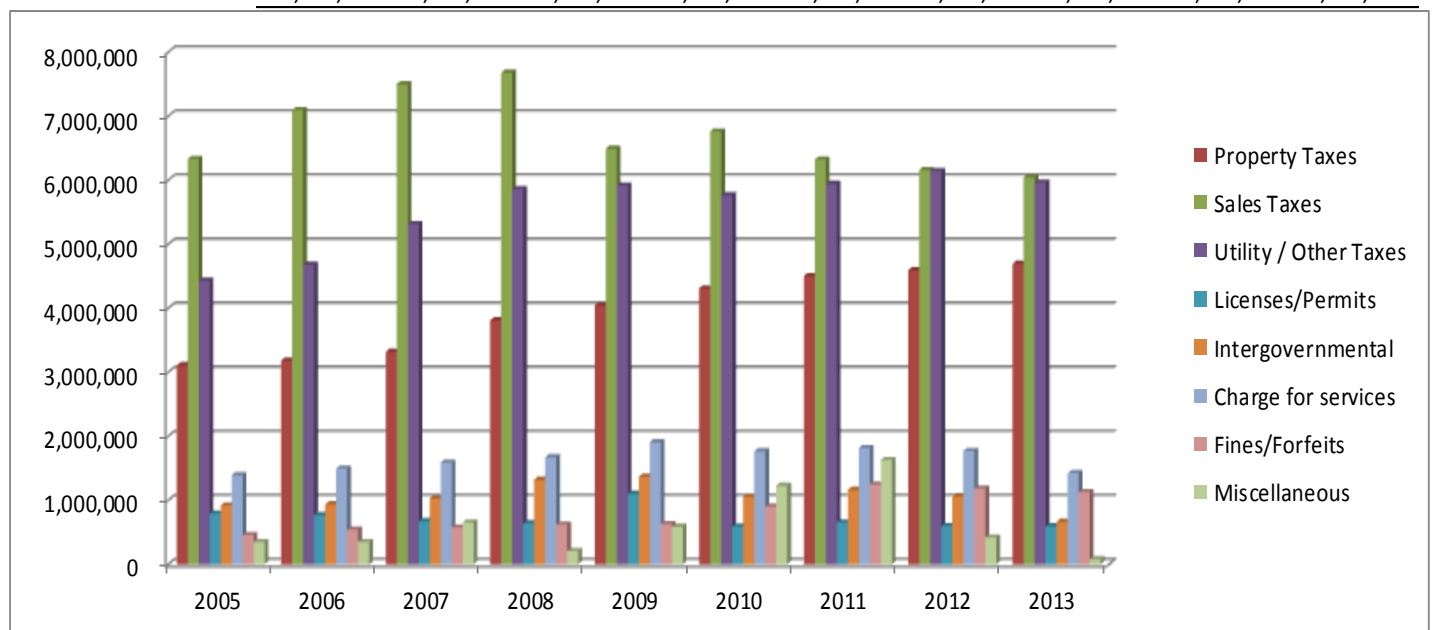
Nonrecurring Activity

	2010 Actual	2011 Actual	2012 Budget	2013 Budget		Change from 2012	
			Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues - Grants/donations	273,497	473,706	247,704	24,450	24,450	(223,254)	-90%
Revenues - Sales of assets	11,677	1,009,300	0			0	#DIV/0!
Revenues - Transfers in							
From 501 - Fire operations	0	10,089	130,000			(130,000)	-100%
From 106 - PFD support	350,000	0	0			0	#DIV/0!
From 611 - Retiree health	304,000	312,200	0			0	#DIV/0!
From 501 - Excess fund balance	0	0	181,430			(181,430)	-100%
From misc funds	29,489	867	0			0	#DIV/0!
Revenues - CCRJ dissolution	299,732	177,251	0			0	#DIV/0!
Revenues - One time sales taxes	0	0	0			0	#DIV/0!
Rainy Day Reserve	0	0	0			0	#DIV/0!
Revenues - reimburse fire exp	0	0	62,500			(62,500)	-100%
Expenses - Fire OT	0	0	(62,500)			62,500	-100%
Expenses - Grants	(178,772)	(187,369)	(214,138)	(24,450)	(24,450)	189,688	-89%
Expenses - Misc	(1,896)	(5,183)	(93,011)		(64,000)	29,011	-31%
Expenses - Transfers out 50X	0	0	(300,000)			300,000	-100%
Expenses - Excess comp.	(16,824)	(12,063)	0			0	#DIV/0!
Expenses - Capital outlay		(257,195)	(22,500)		(36,500)	(14,000)	62%
Net impact to general fund	1,070,903	1,521,603	(70,515)	0	(100,500)	(29,985)	43%

General Fund History

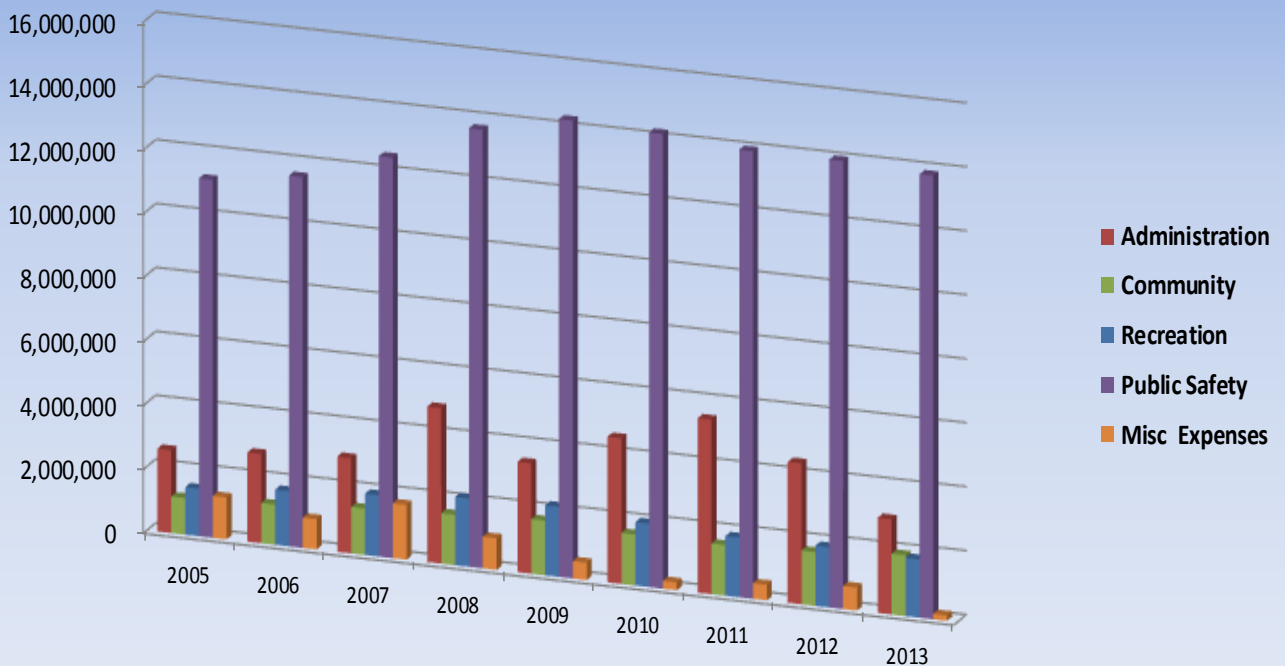
General Fund Revenue History

	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Budget 2012	Budget 2013
Property Taxes	3,105,964	3,179,696	3,319,196	3,807,852	4,038,881	4,306,911	4,500,406	4,590,200	4,695,556
Sales Taxes	6,328,398	7,094,639	7,496,140	7,674,703	6,487,255	6,757,391	6,320,221	6,154,880	6,040,570
Utility / Other Taxes	4,426,620	4,675,766	5,312,245	5,860,096	5,915,524	5,761,233	5,942,351	6,140,170	5,962,220
Licenses/Permits	792,121	764,065	671,162	637,805	1,098,998	586,795	651,162	594,300	593,900
Intergovernmental	914,869	935,199	1,025,904	1,317,559	1,366,519	1,053,962	1,160,410	1,059,094	663,545
Charge for services	1,387,240	1,493,473	1,586,608	1,668,120	1,904,221	1,764,010	1,814,681	1,768,050	1,423,372
Fines/Forfeits	453,480	540,120	572,081	620,686	628,316	901,092	1,245,482	1,180,200	1,128,300
Miscellaneous	346,514	344,386	650,896	205,199	585,420	1,226,395	1,625,199	416,990	75,780
	17,755,206	19,027,344	20,634,232	21,792,020	22,025,134	22,357,789	23,259,912	21,903,884	20,583,243



General Fund Expenditure History by Department

	Actual <u>2005</u>	Actual <u>2006</u>	Actual <u>2007</u>	Actual <u>2008</u>	Actual <u>2009</u>	Actual <u>2010</u>	Actual <u>2011</u>	Budget <u>2012</u>	Budget <u>2013</u>
City Council / Admin	577,425	708,562	793,041	850,144	827,430	614,863	653,971	617,048	673,285
Finance	777,666	875,307	939,516	973,961	994,776	1,061,479	1,026,514	1,001,075	696,626
Code Enforcement	311,519	316,873	333,887	350,800	543,229	542,270	554,329	580,475	584,332
Planning	390,065	448,726	592,517	714,748	601,316	394,067	362,915	405,052	508,577
Engineering	444,575	493,605	527,388	512,695	565,606	661,424	668,530	697,480	810,189
Recreation / Pool	400,897	501,605	576,407	686,466	702,082	599,261	553,805	560,952	561,476
Parks Maintenance	688,763	744,982	791,522	831,331	807,238	805,736	772,122	802,777	877,371
Museum	366,810	438,785	506,670	561,411	625,810	518,133	516,191	510,551	371,351
Fire	3,287,222	3,361,024	3,648,573	3,717,232	3,785,867	3,748,658	3,568,434	3,543,818	3,382,621
Police	4,791,558	5,316,921	5,509,106	6,183,822	6,306,121	6,341,943	6,289,950	6,348,594	6,216,631
LEOFF Health	688,093	542,499	700,000	715,000	631,500	631,498	653,802	589,800	659,000
Other Public Safety	2,274,135	2,215,473	2,486,861	2,900,790	3,382,161	3,280,683	3,272,867	3,322,120	3,398,240
Civil Service	12,287	12,105	15,447	17,096	13,750	14,707	11,159	13,770	21,340
Building Maintenance	233,104	239,676	257,052	280,668	281,760	290,904	271,080	240,200	261,800
Insurance Prop / Liab	398,700	398,700	398,700	398,700	398,700	317,100	327,300	327,300	353,700
Animal Control	147,605	151,590	166,749	183,424	199,906	199,906	201,305	191,235	191,235
Library	28,853	40,120	45,243	54,854	56,777	63,044	22,374	12,200	12,200
Community Services	37,865	55,440	41,718	43,997	47,143	45,675	25,330	27,840	22,440
Debt Service	305,372	307,556	250,245	273,766	329,342	310,040	1,001,676	317,746	360,525
430 Support	86,600	35,400	100,791	52,204	53,500	20,000	93,400	91,000	91,000
City Attorney	215,309	231,349	239,388	253,644	339,694	351,189	319,296	342,200	342,200
PFD Support	0	0	0	1,780,954	230,000	1,591,681	1,763,306	1,475,000	200,000
Misc Non-recurring	1,272,162	894,221	1,672,176	946,229	494,220	197,493	463,323	692,149	144,950
	17,736,585	18,330,519	20,592,997	23,283,936	22,217,928	22,601,754	23,392,979	22,710,382	20,741,089



Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources to finance specific activities as required by law or administrative regulations. These revenues generally can't be used to fund general operations of the City.

#101 – Public Art Fund

Ordinance 2004-15 mandate that 1% of construction costs for projects in excess of \$75,000, net of any grant or other outside funding source, be set aside for “public art projects”. The Museum Director manages this program with the Arts Commission. Expenditures for this program are supplies and needs to support the Commission and payments to the Artists.

#101 - PUBLIC ART

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues	25,279	25,151	20,175	15,175	15,175	(5,000)	(24.78%)
Expenditures							
Operating	(16,455)	(17,159)	(27,330)	(19,000)	(29,000)	(1,670)	6.11%
Transfers out - #001	0	(14,722)	(11,670)	(20,000)	0	11,670	(100.00%)
Capital	0	0	0	0	0	0	#DIV/0!
Total Expenditures	(16,455)	(31,881)	(39,000)	(39,000)	(29,000)	10,000	(25.64%)
Revenues over (under) expenditures	8,824	(6,730)	(18,825)	(23,825)	(13,825)		
Fund Balance January 1,	73,433	82,257	75,527	56,702	56,702		
Fund Balance December 31	82,257	75,527	56,702	32,877	42,877		

#102 - .2% Sales Tax Fund

This fund was created in 2012 to account for the .2% sales tax that went into effect July 2012. This revenue source is to be used exclusively for Public Facility District related expenses and was put into place to help the Public Facilities District refinance their 2008 Notes that matured December 1, 2011.

#102 - .2% Sales Tax

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues	0	0	782,642	1,505,081	1,505,081	722,439	92.31%
PFD Debt Service	0	0	(782,642)	(1,505,081)	(1,505,081)	(722,439)	92.31%
Revenues over (under) expenditures	0	0	0	0	0		
Fund Balance January 1,	0	0	0	0	0		
Fund Balance December 31	0	0	0	0	0		

#103 – Paths and Trails

The Paths and Trails Fund source of revenue is .42% of the total money received from the Motor Vehicle Fuel Tax (RCW 46.68.090). This money is restricted for construction and/or improvement of paths and trails within the City. Because the cost of such projects is typically much larger than the funds generated in a single year we leave the fund balance untouched until an adequate balance is available. The 2013 budget does not include appropriations from this fund.

#103 - PATHS AND TRAILS

	2010 Actual	2011 Actual	2012 Budget Final Budget	2013 Budget		Change from 2012 \$ %	
				As of 9/20/2012	As of 11/15/2012		
Revenues	1,118,808	2,839	2,800	2,800	2,800	0	0.00%
Capital Expenditures	(1,047,051)	(722)	(5,000)	0	0	5,000	(100.00%)
Revenues over (under) expenditures	71,757	2,117	(2,200)	2,800	2,800		
Fund Balance January 1,	(71,215)	542	2,659	459	459		
Fund Balance December 31	542	2,659	459	3,259	3,259		

#104 - Tourism Promotion Area

In September 2006, the City established a Tourism Promotion Area (TPA) for the City of Wenatchee, at the request of the Wenatchee Hotel-Motel Association, as enabled by RCW 35.101. The TPA was originally set up with a three year trial period and the TPA was reauthorized in July 2010. By establishing a tourism promotion area in the city, all hotels larger than 40 rooms are assessed \$1 per room night which is collected by the Department of Revenue and returned to the City to be utilized for marketing purposes as specified in the RCW. The City has contracted with the Wenatchee Valley Visitor's Bureau for the management of the TPA since its creation. The City also created an advisory board to oversee the budget for the TPA. The budget and accomplishments are reviewed annual by the City Council in December. This fund provides a real time understanding of the number of hotel rooms used on an annual basis.

#104 - TOURISM PROMOTION AREA

	2010 Actual	2011 Actual	2012 Budget Final Budget	2013 Budget		Change from 2012 \$ %	
				As of 9/20/2012	As of 11/15/2012		
Revenues	189,524	184,140	183,400	183,300	183,300	(100)	(0.05%)
Expenditures	(189,524)	(184,140)	(183,400)	(183,300)	(183,300)	100	(0.05%)
Revenues over (under) expenditures	0	0	0	0	0		
Fund Balance January 1,	0	0	0	0	0		
Fund Balance December 31	0	0	0	0	0		

Hotel/Motel Tax Funds

The City of Wenatchee is authorized to collect a 6% excise tax on lodging (hotel-motel tax). This authorization was done over a period of years, with the original 2% authorized by Ordinance 2160 in 1974, and additional 2% authorized by Ordinance 3137 in 1995 and the final 2% by Ordinance 97-12 in 1997. These tax funds are utilized by Fund 105 to partially pay for Wenatchee Convention Center debt service, Fund 106 for Wenatchee Convention Center operations and debt service, and Fund 107 for City of Wenatchee tourism marketing.

#105 – Hotel/Motel Tax – Capital

The revenues in this fund are reserved to partially pay the debt service on the #106 - Convention Center Fund. A 2012 budget amendment will be requested to transfer excess reserves to the Convention Center Fund to help pay debt service.

#105 - HOTEL/MOTEL TAX - CAPITAL

	2010 Actual	2011 Actual	2012 Budget	2013 Budget		Change from 2012	
			Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues	212,024	195,581	194,800	187,100	187,100	(7,700)	(3.95%)
Expenditures Trans out 106	(202,594)	(196,700)	(209,800)	(187,100)	(187,100)	22,700	(10.82%)
Revenues over (under) expenditures	9,430	(1,119)	(15,000)	0	0		
Fund Balance January 1,	26,528	35,958	34,839	19,839	19,839		
Fund Balance December 31	35,958	34,839	19,839	19,839	19,839		

#107 – Hotel/Motel Tourism Fund

Until the city's 2011 budget, 100% of the funds collected in fund 107 were provided by contract to the Wenatchee Valley Visitor's Bureau for the city's tourism marketing effort. The city receives quarterly and annual reports on this tourism marketing effort according to their contract and in compliance with RCW 67.28. In 2011, a portion of the funds (\$48,000) were retained by the city to utilize in the operation of the Wenatchee Valley Museum and Cultural Center. In 2011, the city reconstituted a Lodging Tax Advisory Committee for the oversight of the lodging tax funds and recommendation for uses to the City Council. In the 2012 budget, after a community effort to retain Washington State Special Olympics, a larger portion of the funds was retained (\$77,000) to support both the Wenatchee Valley Museum and Cultural Center and the city's Recreation Department which provides staff to support the Special Olympics. The City's Lodging Tax Advisory Committee will carry out an application process in the fall of 2012 to recommend to City Council uses of this fund in 2013 and beyond.

#107 - HOTEL/MOTEL TAX - TOURISM

	2010 Actual	2011 Actual	2012 Budget	2013 Budget		Change from 2012	
			Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues	370,546	342,512	311,540	374,300	374,300	62,760	20.15%
Operations	(371,220)	(344,291)	(321,440)	(374,300)	(340,000)	(18,560)	5.77%
Revenues over (under) expenditures	(674)	(1,779)	(9,900)	0	34,300		
Fund Balance January 1,	16,846	16,172	14,393	4,493	4,493		
Fund Balance December 31	16,172	14,393	4,493	4,493	38,793		

#106 – Convention Center Fund

The Wenatchee Convention Center (WCC) is a City owned facility operated under a management contract with Coast Hotels & Resorts. The contract is managed by the Public Works Department, the Mayor's Office and the Finance Department collaboratively. The Convention Center is a 50,000+ square foot regional meeting facility which can host any event from a small business meeting to a statewide convention for over 500. The Convention Center is the home of the Washington State Horticultural Convention in odd numbered years (Yakima hosts in even numbered years) and frequently hosts side wide labor and government conventions as well as weddings and entertainment events.

The Convention Center was originally constructed in 1979-80 and was operated by the Westerberg Hotel. Through a series of sales, the Coast Hotels took over management in the 1980's and managed the facility under the original contract until the end of 2011. Due to changes in IRS regulations, the contract was restructured in 2012 to a management contract which pays the contractor a management fee instead of the City being paid a commission based on gross sales. Staff members at both the City and Convention Center are still working through the new arrangement and new operational model.

The City is responsible for maintaining the physical plant including the HVAC, electrical, plumbing, lighting, and A/V systems. The Convention Center Maintenance Fund (Fund 106) is used to fund all of the City's activities in the building.

The Convention Center Maintenance Staff is responsible for:

- Maintaining and repairing all parts of the physical plant including:
 - HVAC, Electrical, Mechanical, Fire, Lighting and Audio/Video systems
 - Kitchen equipment including convection ovens, steam tables, stoves, grills, steamers, mixers, walk-in freezers and refrigerators and warming ovens
 - Convention furnishings including 2000 chairs over 400 tables, stages, carts and podiums
 - Interior finishes including paint, tile, wainscoting, floor coverings, restroom fixtures and acoustical ceiling.

The Finance Department Staff is responsible for:

- Determining the financial state of the operation and providing cash infusions to the operating accounts when necessary
- Reviewing all financial documents created and/or utilized by the contractor including:
 - Monthly bank statements, balance sheets, income statements, cash flow reports, accounts payable, accounts receivable and invoices

The Mayor's Office and Public Works Department is responsible for:

- Coordination of the continued transition from the former concession structure to the new management contract arrangement
- Meeting quarterly with corporate management of the contractor to provide feedback on the state of operations and review prospective business bookings
- Provide approvals of operational decisions as detailed in new contract

2012 WCC Maintenance Goals:

- ✓ Continue door replacement of interior metal doors
- ✓ Continue upgrading walls with laminated wainscoting and chair rails
- ✓ Install Level 2 Electric Vehicle charging stations for Convention Center patrons
- ✓ Complete Energy Audit of facility and implement low cost energy saving solutions
- ✓ Assist with installation of new wireless networking infrastructure
- ✓ Repair roof of Exhibit Hall

#106 - CONVENTION CENTER

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Hotel/Motel Tax	370,394	390,749	389,300	374,300	374,300	(15,000)	(3.85%)
Chelan County	65,000	65,000	65,000	65,000	65,000	0	0.00%
Convention Rentals/Sales	0	0	1,115,250	1,115,250	1,376,651	261,401	23.44%
Miscellaneous	148,970	171,778	3,001	1,000	1,000	(2,001)	(66.68%)
Transfers In - #105	202,594	196,700	210,393	187,100	187,100	(23,293)	(11.07%)
Total Revenues	786,958	824,227	1,782,944	1,742,650	2,004,051	221,107	12.40%
Expenditures							
Management Co Operations	0	0	(1,278,893)	(1,278,893)	(1,374,085)	(95,192)	7.44%
City Operations - salary/ben	(171,163)	(175,718)	(183,661)	(188,650)	(187,126)	(3,465)	1.89%
City Operations - misc	(245,243)	(242,872)	(153,813)	(153,810)	(139,970)	13,843	(9.00%)
Capital	0	0	(125,000)	(125,000)	(75,000)	50,000	(40.00%)
Debt Service	(644,493)	(307,590)	(302,404)	(306,110)	(306,110)	(3,706)	1.23%
Total Expenditures	(1,060,899)	(726,180)	(2,043,771)	(2,052,463)	(2,082,291)	(38,520)	1.88%
Revenues over (under) expenditures	(273,941)	98,047	(260,827)	(309,813)	(78,240)		
Fund Balance January 1,	654,083	380,142	478,189	217,362	217,362		
Fund Balance December 31	380,142	478,189	217,362	(92,451)	139,122		
FTE's	2.1	2.1		2.1	2.1		
Fund Balance % of operating expenses	91%	114%	13%	-6%	8%		

2013 Goals:

- Repair additional roofing areas which are exhibiting deterioration
- Upgrade HVAC scheduling and controls
- Replace compressors in two rooftop HVAC Units
- Major repair of several air wall room partitions
- Replacement of ceiling clouds in the Grand Apple Ballroom replacing both the ceiling system and the dimmable lighting system and controls

Significant 2013 Budget Issues:

- 2012 has turned out to be the worst year for convention bookings in recent history. The culmination of economic recession, statewide municipal budget crisis, downturn in the tourism market and uncertainty in the management/sales of the Convention Center resulted in business income being well below expectations. (Projected revenue off by 21% YTD through July)
- During the transition to the new contract, several costs formerly paid from the City's maintenance budget have been moved to become an expense of the facility and are paid from a different account. For this reason, a few items have been double budget in the 2012 budget and will be reconciled prior to the end of the year as a budget amendment and budgeted correctly in 2013.
- The WCC is a 32 year old facility and is in need of continual updating and major repair. Some of the kitchen equipment and most of the mechanical/lighting systems are from the original construction and are becoming high maintenance items. In order to compete in the highly competitive convention market, continual investment must be made in the facility. Unfortunately, the funds for these upgrades are not available at this time.

#108 – Street Maintenance Fund

The Street Maintenance Division of the Public Works Department has the responsibility for the maintenance of the City's streets and alleys and publically maintained sidewalks. The Street Division maintains over 250 lane miles of streets utilizing nearly 40 pieces of street equipment. The Street Division is responsible for snow and ice control on all City streets along with those sections of the state highways that run through the City. The street crews also sweep and clean all city streets and maintain pavement markings and signage. In addition, the Street Division maintains those portions of the sidewalks that are the responsibility of the City.

Another group within the Street Maintenance Division is the Signals and Lighting group which maintains the City's 50 traffic signal systems and the hundreds of street lights and electrical systems in the City.

The Street Maintenance Division is responsible for:

- Pavement Maintenance including:
 - Crack filling/sealing
 - Pothole patching
 - Dig-out/subgrade failure repair
 - Skin Patching of rutted or failed pavement
- Traffic control maintenance including
 - Pavement markings (striping, crosswalks, stop bars, arrows)
 - Installation and maintenance of all traffic signs both regulatory and informational
- Roadside maintenance including vegetation control
- Snow and Ice Control of all City streets including
 - Pre-storm application of anti-icing materials
 - Snow plowing during and after storms
 - Control of compact snow and ice through the use of traction sand and chemical ice melting applications
 - Picking up accumulated snow berms and disposing of snow
- Street cleaning primarily accomplished with street sweepers but including flushing
- Maintain and repair signal systems including programming changes
- Maintain and repair street lighting systems including services, lights and poles

2012 Goals:

- ✓ Complete construction of North Road extension
- ✓ Replace sections of curb/gutter/sidewalk damaged by January water line break
- ✓ Replace damaged light poles at various locations throughout the City
- ✓ Cap landfill at former Public Works Site on Worthen Street and install underdrain
- ✓ Replace defective electrical junction boxes throughout City
- ✓ Replace retaining wall supporting alley between Spokane and Kittitas St
- ✓ Repair defective lighting circuits at various locations

#108 - STREETS

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Property Taxes	1,045,949	1,104,958	1,100,000	1,100,000	1,100,000	0	0.00%
MVFT	383,267	376,788	377,100	374,300	374,300	(2,800)	(0.74%)
Charge for services	270,395	278,032	251,510	251,510	251,510	0	0.00%
Miscellaneous	24,249	24,691	25,889	25,000	25,889	0	0.00%
Total Revenues	1,723,860	1,784,469	1,754,499	1,750,810	1,751,699	(2,800)	(0.16%)
Expenditures							
Salary/benefits	(904,565)	(883,354)	(906,686)	(1,014,308)	(1,017,325)	(110,639)	12.20%
Miscellaneous	(987,574)	(912,194)	(917,827)	(927,922)	(933,414)	(15,587)	1.70%
Capital	0	(7,847)	0	0	0	0	#DIV/0!
Total Expenditures	(1,892,139)	(1,803,395)	(1,824,513)	(1,942,230)	(1,950,739)	(126,226)	6.92%
Revenues over (under) expenditures	(168,279)	(18,926)	(70,014)	(191,420)	(199,040)		
Fund Balance January 1,	630,871	462,592	443,666	373,652	373,652		
Fund Balance December 31	462,592	443,666	373,652	182,232	174,612		
FTE's	13.08	11.41	11.98%	11.98%	11.98%		
Fund Balance % of operating expenses	24%	25%	20%	9%	9%		

2013 Goals:

- Continue pavement preservation program through crack sealing and skin patching
- Replace concrete roadway panels on King St
- Replace defective Alley approaches in various locations
- Continue to investigate transient voltage potential at light/signal poles
- Rewire Maple Street Emergency Fire Signal

Significant 2013 Budget Issues:

- The decline in the condition of the City's street infrastructure continues due to the postponement of projects in the overlay program. Declining Real Estate Excise Tax (REET) revenues have forced this program to be nearly completely halted for the past 3 years. This lack of overlay projects equates to longer lives for pavement and more maintenance to keep the streets drivable.
- Our aging truck fleet is in dire need of replacement and several of the vehicles are scheduled to be replaced in 2013 and 2014.
- The number of street maintenance personnel will need to be restored to make headway in maintaining our traffic infrastructure.

#109 - Arterial Streets

The Arterial Streets Fund was developed in 1972 for the purpose of constructing key capital street projects. This special revenue fund receives 43% of the motor vehicle fuel tax (gas tax) allocated to the City by the State of Washington. Typically, the revenue from this fund is used to match State and Federal grants. As an example, between 2001 and 2010, \$3.8 Million of local revenues leveraged \$17.9 Million in state and federal grants. Examples of capital construction projects completed include Maple, Western/Maiden Lane, Washington Signal, Walla Walla, Riverside Drive, Orchard, Ninth, and many more. The Engineering Department carries out the design and construction of Arterial Street Fund projects. This fund does not include any operating expenses and appears highly volatile due to the amount of grant funds revenues that are used to reimburse the City for expenditures incurred. The primary grant sources for the City are the State Transportation Improvement Board and the Federal Surface Transportation Program.

2012 Goals:

- ✓ Orondo Right Turn Lane Project
- ✓ Worthen and Orondo Corridor Improvements
- ✓ Fifth Street Safety Improvements
- ✓ Initiated Design of the Pine Street Reconstruction Project
- ✓ Begin Construction of the South Wenatchee Ave, Project
- ✓ Lincoln Sidewalks
- ✓ Parkside Sidewalks
- ✓ Design of the North Wenatchee Ave. Paving Project
- ✓ Completed Riverside Drive Park Expansion at the Abandoned Public Works Site
- ✓ Completed Riverside Drive Condemnation Case
- ✓ McKittrick Signal

#109 - ARTERIAL STREETS

	2010 Actual	2011 Actual	2012 Budget Final Budget	2013 Budget		Change from 2012 \$ %	
				As of 9/20/2012	As of 11/15/2012		
Revenues							
MVFT	287,476	287,081	287,300	285,200	285,200	(2,100)	(0.73%)
Grant revenues	1,289,296	482,996	3,267,955	0	3,183,373	(84,582)	(2.59%)
Interest	483	1,103	500	0	200	(300)	(60.00%)
Private contributions	0	11,000	237,100	0	0	(237,100)	(100.00%)
Transfers In	0	26,009	0	0	0	0	#DIV/0!
Total Revenue	1,577,255	808,189	3,792,855	285,200	3,468,773	(324,082)	(8.54%)
Expenditures							
Capital construction	(1,044,594)	(895,490)	(4,072,638)	0	(3,033,373)	1,039,265	(25.52%)
Total Expenditures	(1,044,594)	(895,490)	(4,072,638)	0	(3,033,373)	1,039,265	(25.52%)
Revenues over (under) expenditures	532,661	(87,301)	(279,783)	285,200	435,400		
Fund Balance January 1,	126,139	658,800	571,500	291,717	291,717		
Fund Balance December 31	658,800	571,499	291,717	576,917	727,117		

2013 Goals:

- Construct North Wenatchee Ave. Paving Projects
- Complete Construction of the South Wenatchee Ave. Reconstruction Project
- Begin Design of the SR285 Safety Grant
- Perform a Circulation Study for SR 285 Throughout Downtown and Truck Route Analysis.
- Begin Design of the Western Avenue Corridor Improvements Project
- Construct the Pine Street Reconstruction Project
- Develop and Design the Downtown Streetscape Project

Significant 2013 Budget Issues:

- An influx of state and federal economic stimulus funds have created a condition where the arterial street fund gas tax revenues may not be ample to supply the required match for all of the grants the City has been awarded over the next few years. Periodically, this condition requires a general fund infusion of funds.

#111 – Street Overlay Fund

The Street Overlay Fund was developed to dedicate funding to street preservation. In the past, these funds have been used to repave or overlay streets with asphalt. More recently, staff is exploring alternative pavement preservation methods to extend the life of payment at a lower cost. Revenues for this fund are the 2nd ¼ percent of Real Estate Excise Tax (REET). As of 2012, the Wenatchee Transportation Benefit District revenues have been dedicated to funding preservation of arterial streets and are included in this fund. The City issued \$4,085,000 in LTGO bonds for paving in 1998. These bonds will be paid off in 2014, at which time another issue is expected in order to try and catch up on pavement preservation efforts. In 2005, staff updated the 1996 pavement preservation program based on actual conditions of the pavement. Staff expects to update this program in 2013 to help evaluate the best application of technology to further preserve our street infrastructure.

2012 Goals:

- ✓ Crack Seal Arterial Streets

#111 - STREET OVERLAY

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
2nd 1/4% R.E.E.T.	205,965	178,285	216,800	200,000	200,000	(16,800)	(7.75%)
Road Preservation (Car Tab	0	0	0	275,000	480,103	480,103	#DIV/0!
Miscellaneous	1,815	927	1,300	1,300	1,300	0	0.00%
Total Revenue	207,780	179,212	218,100	476,300	681,403	463,303	212.43%
Expenditures							
Capital	(99,512)	(259,680)	(138,750)	0	(530,000)	(391,250)	281.98%
Transfer out - #301	(163,648)	(243,162)	(195,000)	(193,802)	(193,802)	1,198	(0.61%)
Total Expenditures	(263,160)	(502,842)	(333,750)	(193,802)	(723,802)	(390,052)	116.87%
Revenues over (under) expenditures	(55,380)	(323,630)	(115,650)	282,498	(42,399)		
Fund Balance January 1,	562,790	507,410	183,780	68,130	68,130		
Fund Balance December 31	507,410	183,780	68,130	350,628	25,731		

2013 Goals:

- Crack Seal Arterial Streets
- Update Pavement Preservation Program
- Implement a Pavement Preservation Project with Transportation Benefit District Revenue

Significant 2013 Budget Issues:

- Real Estate Excise Tax proceeds have plummeted with the economic downturn. The 2005 Pavement Preservation Study predicted an annual investment need of approximate \$1.5 Million. This figure will be revised in 2013.

#114 - Community Center Fund

The Community Center operations fund is a separate revenue fund used specifically for the Wenatchee Community Center. The Wenatchee Community Center was established in 2006. Its vision is to unite the community by embracing cultures, families and individuals through assistance and support. The mission of the Center is to provide an inclusive multicultural facility for all members of the community through: Promoting and supporting a safe environment for social, recreational and educational participation; Advocating for personal economic development; Encouraging cultural identities within the community; Providing access to social service agencies, the faith community and intergenerational activities; and uniting people by encouraging a spirit of well-being and harmony. The Community Center is striving to provide opportunities to bring the community together and realize this vision.

The majority of revenues for the Community Center are derived through long-term leases and one-time facility rentals. Expenditures include those items required to staff, operate and maintain the facility.

2012 Goals and Objectives

Goals, objectives, and strategic actions are contained in the 2011-2017 Community Center Strategic Plan. Some specific actions accomplished in 2012 include:

- ✓ Over 50,000 people visited the Community Center in 2012. The Center hosted a variety of human service activities ranging from: Veterans support services, parent education programs and food distribution events to citizenship and literacy classes and job training programs.
- ✓ Served over 39,000 individuals through food distribution events from the Wenatchee Food Bank and Thrivent.
- ✓ Extended license agreements for the use of the Community Center for programs provided by Wenatchee Valley College, Alcoholics Anonymous, Chelan Douglas Literacy Council, Real Life Church, and the Wenatchee Food Bank and amended the license agreement with Head Start.
- ✓ Successfully completed a grant application to the Home Depot Foundation to provide funding for the installation of insulation in the Social Hall. Completed the project.
- ✓ Reviewed and revised the one-time rental rate structure to reduce fees and encourage participation.
- ✓ Continued the successful partnership with the Wenatchee Valley Community Development association.

#114 - COMMUNITY CENTER OPERATIONS

	2010 Actual	2011 Actual	2012 Budget Final Budget	2013 Budget		Change from 2012	
				As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Operating	113,671	90,444	78,386	88,724	73,724	(4,662)	(5.95%)
Transfer in - #001	18,691	16,358	20,000	0	20,000	0	0.00%
Total Revenue	132,362	106,802	98,386	88,724	93,724	(4,662)	(4.74%)
Expenditures							
Salary/benefits	(71,214)	(77,106)	(92,473)	(87,838)	(84,709)	7,764	(8.40%)
Miscellaneous	(51,345)	(58,718)	(62,611)	(57,531)	(63,180)	(569)	0.91%
Total Expenditures	(122,559)	(135,824)	(155,084)	(145,369)	(147,889)	7,195	(4.64%)
Revenues over (under) expenditures	9,803	(29,022)	(56,698)	(56,645)	(54,165)		
Fund Balance January 1,	224,927	234,730	205,708	149,010	149,010		
Fund Balance December 31	234,730	205,708	149,010	92,365	94,845		
FTE's	1	1		1	1		
Fund Balance % of operating expenses	192%	151%	96%	64%	64%		

2013 Goals and Objectives

Some specific actions for 2013 include:

- Increase the use and cost recovery of the facility through community outreach, programmed activities, rentals, and investigation of cost efficiencies.
- Provide leased space for existing and new tenants that meets the mission of the Center.
- Complete the preparation of a comprehensive policies and procedures manual for all aspects of the Community Center.
- Operate and maintain the facility as a safe, aesthetically pleasing and high quality asset to the community.
- Prepare a long term capital improvement plan for the Center.
- Develop and implement a communications plan to effectively market programs, the facility and services and increase awareness of the benefits to individuals.

Low Income and Homeless Funding

The City's Planning staff administers the Chelan and Douglas Counties Homeless and Low Income Housing programs and the State of Washington's low income and homeless grants for our area. These funds are specifically dedicated to reducing and preventing homelessness and providing various types of assistance to low income citizens. The funds are made up of recording fees from Chelan and Douglas Counties or State grants.

The Planning staff also administers the City's Community Development Block Grant which provides various services to citizens or enhancements in South Wenatchee.

#113 – Low Income Housing Fund

#113 - LOW INCOME HOUSING

	2010 Actual	2011 Actual	2012 Budget Final Budget	2013 Budget		Change from 2012 \$ %	
				As of 9/20/2012	As of 11/15/2012		
Revenues	38,321	35,936	37,250	37,250	37,250	0	0.00%
Expenditures	(55,000)	(15,000)	(60,000)	(30,000)	(30,000)	30,000	(50.00%)
Revenues over (under) expenditures	(16,679)	20,936	(22,750)	7,250	7,250		
Fund Balance January 1,	94,231	77,552	98,488	75,738	75,738		
Fund Balance December 31	77,552	98,488	75,738	82,988	82,988		

#117 – Homeless Housing Fund

#117 - HOMELESS HOUSING

	2010 Actual	2011 Actual	2012 Budget Final Budget	2013 Budget		Change from 2012 \$ %	
				As of 9/20/2012	As of 11/15/2012		
Revenues							
Intergovernmental	574,989	521,452	514,700	648,522	648,522	133,822	26.00%
Grant revenue	0	0	657,000	582,510	582,510	(74,490)	(11.34%)
Miscellaneous	1,910	1,327	800	1,000	1,000	200	25.00%
Total Revenue	576,899	522,779	1,172,500	1,232,032	1,232,032	59,532	5.08%
Expenditures							
Operating	(384,969)	(782,537)	(777,423)	(593,900)	(593,900)	183,523	(23.61%)
Grant Expenditures	0	0	(632,000)	(551,510)	(551,510)	80,490	(12.74%)
Transfers out - #001	(35,635)	(29,705)	(55,000)	(26,000)	(26,000)	29,000	(52.73%)
Total Expenditures	(420,604)	(812,242)	(1,464,423)	(1,171,410)	(1,171,410)	293,013	(20.01%)
Revenues over (under) expenditures	156,295	(289,463)	(291,923)	60,622	60,622		
Fund Balance January 1,	658,422	814,717	525,253	233,330	233,330		
Fund Balance December 31	814,717	525,254	233,330	293,952	293,952		

#115 – Community Development Block Grant Fund

#115 - CDBG ENTITLEMENT

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues	272,142	341,028	335,800	241,800	241,800	(94,000)	(27.99%)
Expenditures							
Operating	(207,449)	(182,772)	(330,000)	(241,800)	(241,800)	88,200	(26.73%)
Capital	(34,144)	(161,531)	0	0	0	0	#DIV/0!
Total Expenditures	(241,593)	(344,303)	(330,000)	(241,800)	(241,800)	88,200	(26.73%)
Revenues over (under) expenditures	30,549	(3,275)	5,800	0	0		
Fund Balance January 1,	(32,064)	(1,515)	(4,790)	1,010	1,010		
Fund Balance December 31	(1,515)	(4,790)	1,010	1,010	1,010		

LEOFF Obligations

RCW 41.16 and 41.18 require cities in the State of Washington to pay for most health care and long term care costs incurred by pre-LEOFF and LEOFF 1 employees and retirees for as long as they live. Pre-LEOFF are those employees hired prior to March 1, 1970 and LEOFF 1 are the employees hired between March 1, 1970 and September 30, 1977. Eligible employees / retirees as of December 31, 2011 are:

	Active	Retired	Total	Medicare Eligible
Fire	1	18	19	13
Police	0	18	18	9
	1	36	37	22

Funding Policy

The City reimburses 100% of the amount of validated claims for medical and hospitalization costs incurred by eligible retirees. We satisfy retiree medical claims through a three tier approach:

1. The City pays the Part B premium for those 22 individuals that are Medicare eligible, which results in Medicare being the primary payer for related medical claims.
2. The City pays for medical insurance coverage for all 37 individuals through the Association of Washington Cities Employee Benefits Trust (AWC), which is a fully insured indemnity plan that offers specific coverage's for particular maladies. If the individual is Medicare eligible, the AWC coverage is considered the secondary payer, if they are not Medicare eligible, AWC is considered primary.
3. Finally, the City reimburses the retiree for those medical claims that are not covered by either Medicare or AWC.

Under the Revised Code of Washington, costs related to medical, hospital and nursing care are also covered for all LEOFF 1 retirees as long as a disability exists.

The revenue for these funds is a transfer in from the General Fund.

#110 - LEOFF Long Term Care

#110 - LEOFF 1 - LONG-TERM CARE

	2010 Actual	2011 Actual	2012 Budget	2013 Budget		Change from 2012	
			Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Transfer In - #001	101,497	73,800	45,800	65,000	65,000	19,200	41.92%
Miscellaneous	1,613	1,062	1,000	500	500	(500)	(50.00%)
Total Revenue	103,110	74,862	46,800	65,500	65,500	18,700	39.96%
Expenditures	(93,492)	(83,723)	(63,800)	(65,000)	(65,000)	(1,200)	1.88%
Revenues over (under) expenditures	9,618	(8,861)	(17,000)	500	500		
Fund Balance January 1,	546,772	556,390	547,529	530,529	530,529		
Fund Balance December 31	556,390	547,529	530,529	531,029	531,029		

#116 – LEOFF Health Insurance

#116 - LEOFF 1 - HEALTH INSURANCE

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Transfer In - #001	530,000	580,001	544,000	645,700	594,000	50,000	9.19%
Miscellaneous	1,568	1,004	1,000	500	500	(500)	(50.00%)
Total Revenue	531,568	581,005	545,000	646,200	594,500	49,500	9.08%
Expenditures	(537,981)	(557,320)	(590,022)	(645,700)	(594,000)	(3,978)	0.67%
Revenues over (under) expenditures	(6,413)	23,685	(45,022)	500	500		
Fund Balance January 1,	545,813	539,400	563,085	518,063	518,063		
Fund Balance December 31	539,400	563,085	518,063	518,563	518,563		

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources for and the payment of general obligation bonds. The City's outstanding general obligation debt includes:

- 2008 Cashmere Valley Bank Bond Anticipation Note refinanced in 2011 due 2014, \$2,400,000, construction of the Public Service Center
- 1998 Limited Tax General Obligation mature 2014 total balance outstanding \$690,000, used to finance street overlay projects
- 2007 Limited Tax General Obligation matures 2027, total outstanding balance \$3,245,000, used to remodel council chambers, museum and technology upgrades for the convention center
- 2007 Limited Tax General Obligations mature 2021, \$1,810,000 outstanding, issued to refinance outstanding convention center bonds.
- 2001 Unlimited Tax General Obligations mature 2021, voter approved bonds issued to build the police station.

DEBT SERVICE FUNDS

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
#201 - UTGO BONDS							
Revenues - property taxes	360,200	367,351	385,720	376,125	376,125	(9,595)	(2.49%)
Debt Service	(368,079)	(364,719)	(365,643)	(366,125)	(366,125)	(482)	0.13%
Revenues over							
(under) expenditures	(7,879)	2,632	20,077	10,000	10,000		
Fund Balance January 1,	(26,201)	(34,080)	(31,448)	(11,371)	(11,371)		
Fund Balance December 31	(34,080)	(31,448)	(11,371)	(1,371)	(1,371)		
#205 - COUNCILMANIC (LTGO) BONDS							
Revenues							
Transfers in #001	287,764	977,844	245,932	289,016	289,016	43,084	17.52%
Transfers in #106	294,493	307,590	309,558	306,110	306,110	(3,448)	(1.11%)
Transfers in #301	403,819	405,299	405,631	405,030	405,030	(601)	(0.15%)
Transfers in #312	10,715	0	0	0	0	0	#DIV/0!
Misc	1,198	532	100	100	100	0	0.00%
Debt Service	(997,394)	(1,652,616)	(1,009,986)	(1,000,155)	(1,000,156)	9,830	(0.97%)
Revenues over							
(under) expenditures	595	38,649	(48,765)	101	100		
Fund Balance January 1,	44,857	45,452	84,101	35,336	35,336		
Fund Balance December 31	45,452	84,101	35,336	35,437	35,436		

Outstanding General Obligation Debt Service Requirements

Below is the annual debt service obligations listed by the fund responsible for the payment.

	General <u>Fund</u>	Convention <u>Center</u>	REET <u>111 / 301</u>	UTGO <u>Bonds</u>
2013	289,015	240,115	405,030	366,125
2014	2,674,577	243,268	408,079	365,958
2015	14,449	246,005	236,519	364,993
2016	14,049	243,328	235,919	363,333
2017	18,649	245,443	235,118	365,958
2018	18,049	247,143	239,119	367,618
2019	17,449	243,428	237,719	363,283
2020	16,848	249,505	236,119	363,320
2021	16,245	249,960	234,318	367,150
2022	15,630		237,100	
2023			234,330	
2024			236,350	
2025			237,950	
2026			233,920	
2027			234,675	
	<u>3,094,960</u>	<u>2,208,195</u>	<u>3,882,265</u>	<u>3,287,738</u>

Capital Project Funds

Capital Project Funds are used to account for the financial activities relating to major general governmental capital purchases or construction. Capital project funds are not used for enterprise fund related capital activities.

#301 - Real Estate Excise Tax Fund

The Real Estate Excise Tax Fund collects revenues via ¼ of 1% real estate excise tax that is paid by the seller of a piece of real estate. The revenue of this fund is currently reserved to partially pay the debt on:

- 1998 Limited Tax General Obligation mature 2014 total balance outstanding \$690,000, used to finance street overlay projects and
- 2008 Cashmere Valley Bank Bond Anticipation Note refinanced in 2011 due 2014, \$2,400,000, construction of the Public Service Center

The actual debt service requirements of this fund can be found on the preceding page.

Real estate excise tax revenues have taken a significant decline over the past six years

#301 - Real Estate Excise Tax Fund							
	2010 Actual	2011 Actual	2012 Budget Final Budget	2013 Budget		Change from 2012	
				As of 9/20/2012	As of 11/15/2012	\$	%
Revenue							
1st 1/4% R.E.E.T.	209,843	180,094	220,700	200,000	200,000	(20,700)	(9.38%)
Transfers in - #111	162,662	236,081	195,000	193,802	193,802	(1,198)	(0.61%)
Total Revenues	372,505	416,175	415,700	393,802	393,802	(21,898)	(5.27%)
Expenditures							
Debt Service	(403,819)	(405,299)	(415,347)	(405,030)	(405,030)	10,317	(2.48%)
Total Expenditures	(403,819)	(405,299)	(415,347)	(405,030)	(405,030)	10,317	(2.48%)
Revenues over (under) expenditures	(31,314)	10,876	353	(11,228)	(11,228)		
Fund Balance January 1,	31,314	0	10,875	11,228	11,228		
Fund Balance December 31	0	10,876	11,228	0	0		

#304 - Pybus Market

The Pybus Market fund was created to track the construction of the Pybus Market and the grant awarded for this project when it was the intent for the City to own and manage the building. Now it will be used to just track sub-recipient expenditures and our grant costs associated with the Pybus Market.

#304 - Pybus Market Fund							
	2010 Actual	2011 Actual	2012 Budget Final Budget	2013 Budget		Change from 2012	
				As of 9/20/2012	As of 11/15/2012	\$	%
Revenues - grant	0	12,320	1,335,000	0	100,000	(1,335,000)	(100.00%)
Expenditures	0	(12,320)	(1,335,000)	0	(100,000)	1,335,000	(100.00%)
Revenues over (under) expenditures	0	0	0	0	0		
Fund Balance January 1,	0	0	0	0	0		
Fund Balance December 31	0	0	0	0	0		

#307 – Local Revitalization Finance Program

The City created a Local Revitalization District in 2009 through ordinance 2009-26 under the authority of RCW 39.89.050. Formation of this District allows the City and participating junior taxing districts (Chelan County Port District and the NCW Regional Library District) to dedicate incremental growth in property tax revenues to the financing of capital projects within the District. The City was also awarded the opportunity for a tax rebate from the State of Washington up to \$500,000 annually. This award allows increases in State of Washington tax revenue resulting from development activity to be returned to the City of Wenatchee for financing of public infrastructure providing benefit to the District.

The District is generally bounded by the Columbia River to the east, Thurston Street to the south, the railroad tracks and Walla Walla Ave. to the West, and private property located just north of Walla Walla Park to the north.

The annual obligations associated with this fund are as follows:

- Monitor and manage local tax increments
- Submit annual reports to the Department of Revenue
- Monitor and track economic development activity within the District
- Manage use of funds to insure compliance with RCW's and ordinance

2012 Goals:

- ✓ Submitted annual report for 2011
- ✓ Established taxable increment for 2011 as compared to 2010.
- ✓ Monitored economic development and taxable activity within the District
- ✓ Determined whether the state rebate threshold was achieved
- ✓ Entered into development agreements for public infrastructure with the Port of Chelan County, Chelan County PUD, and the Pybus Market Charitable Foundation. Public infrastructure included a parking lot, the Orondo Ave. Gateway Extension, Improvements to the Pybus Public Market, and improvements to the PUD park access road.

#307 - Local Revitalization Financing Program

			10875	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012		
Revenues - grant	0	1,533	1,530	0	1,530	(1,530)	(100.00%)
Expenditures	0	0	(1,500)	0	(1,500)	1,500	(100.00%)
Revenues over (under) expenditures	0	1,533	30	0	30		
Fund Balance January 1,	0	0	1,533	1,563	1,563		
Fund Balance December 31	0	1,533	1,563	1,563	1,593		

2013 Goals:

- Collect State Rebate if Increment Threshold is achieved in 2012.
- Make Obligated Payments According to Development Agreements

Enterprise Funds

Enterprise funds are established to account for services provided to the public and are operated similar to a private business. The fees charges to customers pay for the services provided and the related debt and or capital additions.

#401 – Water / Sewer Utility Fund

The Water/Wastewater Division of the Public Works Department provides water and sanitary sewer services for the City of Wenatchee. This division is funded through utility rates and fees for miscellaneous services rendered as well as interest revenue generated from invested cash reserves. This division is not supported by any taxes.

The water system service area covers a majority of the corporate City limits, but does not cover west of Western Avenue or north of Maple Street. The water system infrastructure includes two (2) booster pump stations, four (4) reservoirs (totaling 15 million gallons storage) and over 100 miles of pipes spread across three (3) pressure zones.

The wastewater system service area covers the entire City of Wenatchee, plus areas south of the City limits. Also included is the Olds Station area and continuing on up into the Sunnyslope area within the urban growth boundary. Some of these areas do not have a conveyance system installed yet, but staff has been working with developers over the last several years to plan and install wastewater infrastructure. The wastewater system includes the Waste Water Treatment Plan (WWTP) with a capacity of 5.5 Million Gallons per Day (MGD), five (5) lift stations, and over 140 miles of gravity wastewater lines.

The Environmental Division provides services for the Water, Wastewater and Stormwater Divisions of Public Works, but their budget is embedded in these operational funds. They assist the operation groups in complying with regulations and providing communication and public outreach with customers and the public. They are also responsible for administering the City's Cross Connection Control and Wastewater Pretreatment programs.

The Water Division is responsible for:

- Daily operation and maintenance of the water supply and distribution system including pumps, valves, hydrants, meters and pressure regulating facilities
- Monthly reading of all commercial meters and bi-monthly reading of all residential meters
- Repair of system facilities as needed
- Installation of new water services, upgraded water services, fire protection lines
- Replacement of substandard or defective fire hydrants
- Working with the Finance Department to encourage customer payments through notification and water turn-off
- Marking location of underground utilities for excavations

The Wastewater Division is responsible for:

- Daily operation and maintenance of the wastewater system including collection and treatment
- Preventive maintenance and repair of the entire wastewater infrastructure including pumps, blowers, drive motors, dewatering equipment, programmable logic controllers (PLCs), boilers, methane flaring equipment, gas compressors, floating dome digesters...
- Operation of the City's biosolids treatment facilities, about 12 miles south of Wenatchee, in accordance with EPA and Washington Dept. of Ecology strict regulations regarding the treatment, handling and use of biosolids
- Responsible for cleaning and inspecting 140 miles of gravity wastewater lines as part of a comprehensive risk management program to minimize sanitary sewer overflows (SSOs)
- Perform thousands of laboratory tests annually in order to operate the biological processes in the plant and to provide regulatory information to the Dept. of Ecology regarding the plant's compliance with NPDES (National Pollutant Discharge Elimination System) Permit limits

The Environmental Division is responsible for:

- Protection of the water system through the City's Cross Connection Control Program
- Protection of the WWTP through the City's Pretreatment Programs including the FOG (Fat, Oil and Grease) removal program
- Providing technical assistance on regulatory compliance
- Conducting users surveys in both water and wastewater to identify potential hazards
- Conduct monthly water quality testing
- Provide communication to customers, regulators and citizens through:
 - Water Quality Report
 - Cross Connection Control Report

- Water Facility Inventory
- Water Use Efficiency Report

- Wellhead Protection Report
- Many, Many more

2012 Goals:

- ✓ Completion of all new water services on North Wenatchee Avenue from 5th St to Miller St
- ✓ Complete relocation of Pressure Reducing Station in the vicinity of Marr Street.
- ✓ Complete assessment of 10" main in North Wenatchee Ave. in the vicinity of 9th St
- ✓ Completion of new water services on Crawford Street from Methow St. to Okanogan St.
- ✓ Complete replacement of sludge/scum pumps and controls
- ✓ Complete air quality permit amendment for digester gas use in boiler
- ✓ Over 400 inspections for the Fat, Oil and Grease program were completed
- ✓ Monthly quality control reviews of laboratory data for the wastewater treatment plant discharge monitoring report were completed
- ✓ Conducted Fresh Fruit Packer inspections
- ✓ Conducted inspections of permitted commercial and industrial facilities
- ✓ 300 coliform samples were collected in the water system; all test results were satisfactory
- ✓ Nitrate and disinfection by-product monitoring was completed with satisfactory results
- ✓ The drinking water lab at the Public Services Center was successfully accredited by the Washington State Department of Ecology. City staff also passed all proficiency testing
- ✓ List 2012 goals and accomplishments
- ✓ Construction of new headworks facility, odor control equipment and visual improvements to the WWTP
- ✓ Relocation of hydrants and water meters as part of the George Seller Bridge West Project for Washington State Department of Transportation
- ✓ Relocation of water services on South Wenatchee Avenue in coordination with contractor

#401 - WATER / SEWER

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues:							
Operating	7,970,695	8,978,075	8,863,900	8,595,700	8,761,700	(102,200)	(1.15%)
Transfers In	0	0	39,960	0	0	(39,960)	(100.00%)
Bond Proceeds/PWTF	0	15,420,000	0	0	1,830,963	1,830,963	#DIV/0!
Total Revenues	7,970,695	24,398,075	8,903,860	8,595,700	10,592,663	1,688,803	18.97%
Expenses:							
Salary/ benefits	(1,871,851)	(1,863,156)	(2,235,689)	(2,187,429)	(2,381,117)	(145,428)	6.50%
Miscellaneous	(5,291,663)	(5,324,437)	(3,898,500)	(3,736,626)	(3,768,214)	130,286	(3.34%)
Capital Outlay	(1,933,959)	(2,175,539)	(11,237,000)	0	(3,530,000)	7,707,000	(68.59%)
SRF Loan Interest	(95,528)	(90,327)	(85,048)	(79,685)	(79,685)	5,363	(6.31%)
SRF Loan Principal	(344,355)	(349,556)	(354,835)	(360,195)	(360,195)	(5,360)	1.51%
Bond Interest	(335,199)	(583,216)	(746,307)	(716,974)	(716,974)	29,333	(3.93%)
Bond Principal (12/1)	(820,562)	(2,719,188)	(909,155)	(942,250)	(942,250)	(33,095)	3.64%
Total Expenses	(10,693,117)	(13,105,419)	(19,466,534)	(8,023,159)	(11,778,435)	7,688,099	(39.49%)
Change in Net Working Capital	(2,722,422)	11,292,656	(10,562,674)	572,541	(1,185,772)		
Beginning Working Cap.			14,143,186	3,580,512	3,580,512		
Ending Working Cap.			3,580,512	4,153,053	2,394,740		
<i>Bond Coverage</i>			1.38	1.35	1.31		
FTE's	25.07	25.07		25.58	26.58		

2013 Goals:

- Replace WWTP valve operators
- Replace digester gas flare piping
- Relocate Broadview Lift Station
- Relocate Squilchuck Lift Station
- Begin planning control system update project
- Replace piping at one million gallon reservoir
- Miller street line extension
- Implement multi-jurisdictional SCADA monitoring

- Continue implementation of valve maintenance program
- Pump Station 1 renovation
- Update the water utility and cross connection control codes.

Significant 2013 Budget Issues:

- The two most significant budget issues are probably 1) The affect that the weather has on water system revenues and 2) The cost of regulatory compliance. Both of these areas introduce some unknowns into our operations that must be dealt with in an ongoing manner. The regulatory compliance usually results in additional monitoring of our systems with additional reporting of the information required, while the variation in water system revenue will alter our projected revenue and thus the funds available top operative and improve the system. Neither of these has become unbearable, although the Biosolids Equivalency Process which the City has been working through for over 4 years has, at times, been trying.

#410 - Storm Drain Fund

The purpose of the Storm Drain Utility Fund is to provide funding for operation, maintenance improvement and expansion of the City's storm sewer system. The revenue for this fund is generated from a flat monthly charge to each single-family residence as well as a monthly charge to commercial and multi-family residences based on an "equivalent residential unit." The equivalent residential unit is an impervious surface of 3,000 square feet. The stormwater system consists of the complete system of catch basins, manholes and pipes for collecting, treating and conveying stormwater throughout the City. This system does not include the canyon drains which flow through the City in their own channels.

The City operates the system under a NPDES (National Pollutant Discharge Elimination System) General Stormwater Permit for a group of communities (Phase II) which regulates our operation of the system including mandating the regulations communities must put in place for their citizens to operate under. Compliance with this permit has become an increasingly larger burden for all cities under Phase II requirements. Our Environmental staff spends part of their time gathering information, inspecting facilities and reporting compliance.

Much of the cost of operating the system is dedicated to annual maintenance and cleaning efforts. This work is done by employees of the Water, Wastewater and Street Maintenance divisions of Public Works and billed back to the stormwater fund as actual costs are incurred. The only salaries that are charged directly to this fund are related to the administration and compliance of the operation and capital improvement aspects of the system and include the Public Works Directors, City Engineer, Environmental Manager and Contracts Coordinator.

The City has received many grants over the last several years, as part of the local four-agency Wenatchee Stormwater Technical Advisory Committee. These grants had been utilized to aid in compliance with the new regulations and also to help construct new facilities.

The Storm drain Utility Department is responsible for:

- Compliance with NPDES Phase II General Stormwater Permit
- Inventorying and mapping stormwater facilities
- Development of stormwater regulations concerning activities within the City which may affect stormwater quality
- Annual cleaning of the system – the goal is to clean all areas of the system on a two year rotation and visit the "problem areas" of the system annually
- Develop a capital improvement plan for the construction of facilities necessary to comply with NPDES and to provide adequate conveyance for stormwater within the City.

2012 Goals:

- ✓ Obtain grant for stormwater improvements as part of the South Wenatchee Avenue Project
- ✓ Obtain grant, along with the 3 other agencies, for a Regional Vactor Waste Facility
- ✓ Continue to develop a plan for dealing with the melting of accumulated snow in Wenatchee
- ✓ Update the GIS mapping and maintenance reporting system
- ✓ Complete the latest cleaning cycle of the system

#410 - STORM DRAIN UTILITY

			2012 Budget	2013 Budget			
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	Change from 2012 \$	%
Revenues:							
Operating	1,019,847	1,329,925	1,360,100	1,401,995	1,401,995	41,895	3.08%
Grant	145,037	221,172	120,000	0	108,750	(11,250)	(9.38%)
Bond Proceeds	0	3,285,000	0	0	0	0	#DIV/0!
Total Revenues	1,164,884	4,836,097	1,480,100	1,401,995	1,510,745	30,645	2.07%
Expenses:							
Salary/benefits	(206,118)	(203,565)	(209,701)	(255,471)	(253,543)	(43,842)	20.91%
Miscellaneous	(493,137)	(548,125)	(455,550)	(452,080)	(478,179)	(22,629)	4.97%
Capital Outlay	(109,201)	(587,903)	(843,350)	0	(1,215,000)	(371,650)	44.07%
Bond Interest	(90,242)	(121,400)	(135,157)	(130,081)	(130,082)	5,075	(3.75%)
Bond Principal (12/1)	(165,417)	(1,656,645)	(169,178)	(174,834)	(174,834)	(5,656)	3.34%
Total Expenses	(1,064,115)	(3,117,638)	(1,812,936)	(1,012,466)	(2,251,638)	(438,702)	24.20%
Change in Net Working Capital	100,769	1,718,459	(332,836)	389,529	(740,893)		
Beginning Working Cap.			2,230,753	1,897,917	1,897,917		
Ending Working Cap.			1,897,917	2,287,446	1,157,024		
Bond Coverage			2.68	2.28	2.20		
FTE's	2.3	2.3		2.83	2.83		

2013 Goals:

- Continue to maintain system is good condition
- Replace or line some deteriorated pipes within the system
- Start the design process for the Vector Waste Facility
- Develop a plan for compliance with the new 2012 General Stormwater Permit

Significant 2013 Budget Issues:

- As the maintenance and administration (NPDES compliance) take up a larger portion of the budget, less is available for satisfying the capital needs of the system, which are significant. The monthly stormwater fees have increased to cover some of these costs, but there is an upper limit on acceptable fees which we want to stay under.

#415 – Regional Water Fund

The Wenatchee Regional Water System supplies water to the City of Wenatchee, Chelan County Public Utility District (PUD), and the East Wenatchee Water District (EWWD). These three water purveyors serve domestic water for the entire Wenatchee Valley. The City operates and maintains the system in cooperation with the PUD and the EWWD through an Advisory Committee. The Advisory Committee is comprised of 3 staff and 3 elected officials who govern the operations of the Regional Water System.

The activities of the Regional Water System include pumping and water delivery, monitoring and maintaining the transmission line, pumps, meters, valves, chlorination equipment, and telemetry equipment.

2012 Goals:

- ✓ Update Telemetry to Include Centralized Information for all of the Partners. This is a risk management strategy to allow coordinated operation of the system in case of a supply failure.
- ✓ Update Backup Wells Chlorination Systems
- ✓ Purchase of Water Rights (Approx. 2,500 acre-ft)
- ✓ Paving Wellhead Access Road
- ✓ Aquifer Study Update from the PUD

#415 - REGIONAL WATER

	2010 Actual	2011 Actual	2012 Budget	2013 Budget		Change from 2012	
			Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Operating	1,256,107	1,237,559	1,305,000	1,250,000	1,300,000	(5,000)	(0.38%)
Transfers In	0	0	2,109	0	0	(2,109)	(100.00%)
Total Revenues	1,256,107	1,237,559	1,307,109	1,250,000	1,300,000	(7,109)	(0.54%)
Expenses:							
Salary/benefits	(133,423)	(142,675)	(142,926)	(144,867)	(147,692)	(4,766)	3.33%
Misc	(363,525)	(354,227)	(367,303)	(365,220)	(386,772)	(19,469)	5.30%
Capital Outlay	(69,763)	(47,788)	(2,740,000)	0	(230,000)	2,510,000	(91.61%)
Bond Interest	(24,105)	(12,087)	0	0	0	0	#DIV/0!
Bond Principal (12/1)	(367,356)	(345,345)	0	0	0	0	#DIV/0!
Total Expenses	(958,172)	(902,122)	(3,250,229)	(510,087)	(764,464)	2,485,765	(76.48%)
Change in Net Working Capital	297,935	335,437	(1,943,120)	739,913	535,536		
Beginning Working Cap.			2,464,548	521,428	521,428		
Ending Working Cap.			521,428	1,261,341	1,056,964		
FTE's	1.5	1.5		1.5	1.55		

2013 Goals:

- Aquifer Study Update from the PUD
- Fifth Well Siting Study
- Transmission/Alternative Source Study

Significant 2013 Budget Issues:

Regional Water is financially healthy and is preparing for future expansion needs

#420 – Solid Waste Fund

Garbage services are provided to the citizens of Wenatchee through a contract with Waste Management, Inc. that runs through the year 2020. Based on the provision of the contract Waste Management collects all solid waste throughout the City for both residential and commercial customers. Waste Management bills and collects from commercial customers, the City bills and collects from residential customer. Included in the City bill is an administrative fee to recover the cost of maintenance and billing of account.

The 2012 budget will be amended to reflect the costs for the city hall energy retrofit. Beginning 2013 the Finance Department's Utility Billing Staff and the equipment they use, will be prorated and charged directly to the utility accounts they serve (General Fund and Funds 401, 410 and 420).

#420 - SOLID WASTE							
	2010 Actual	2011 Actual	2012 Budget Final Budget	As of 9/20/2012	As of 11/15/2012	Change from 2012 \$ %	
Revenues							
Operating	1,884,896	1,936,868	1,984,100	2,059,200	2,059,200	75,100	3.79%
DOE Grant	60,876	89,123	0	0	0	0	#DIV/0!
Total Revenues	1,945,772	2,025,991	1,984,100	2,059,200	2,059,200	75,100	3.79%
Expenses							
Salary/benefits	0	0	0	(87,278)	(86,317)	(86,317)	#DIV/0!
O & M	(1,834,874)	(1,921,239)	(1,978,840)	(1,850,235)	(1,917,520)	61,320	(3.10%)
Environmental	(102,386)	(66,527)	0	0	0	0	#DIV/0!
Capital	0	0	(36,300)	0	0	36,300	(100.00%)
Transfers out	0	(1,703)	0	0	0	0	#DIV/0!
Total Expenses	(1,937,260)	(1,989,469)	(2,015,140)	(1,937,513)	(2,003,837)	97,620	(4.84%)
Change in Net Working Capital	8,512	36,522	(31,040)	121,687	55,363		
Beginning Working Cap.			284,007	252,967	252,967		
Ending Working Cap.			252,967	374,654	308,330		
FTE's				1.21	1.21		

#425 – Regional Vector Facility Fund

This fund was created in 2012 to account for the construction and operation of the new Vector Facility located in South Wenatchee. A budget amendment will be needed for any 2012 construction costs.

#425 - Regional Vector Facility							
	2010 Actual	2011 Actual	2012 Budget Final Budget	2013 Budget As of 9/20/2012	As of 11/15/2012	Change from 2012 \$ %	
Grant Revenue	0	0	0	0	269,000	269,000	#DIV/0!
Capital Expenses	0	0	0	0	(269,000)	(269,000)	#DIV/0!
Change in Net Working Capital	0	0	0	0	0		
Beginning Working Cap.			0	0	0		
Ending Working Cap.			0	0	0		

#430 – Cemetery Operations Fund

The City of Wenatchee Cemetery is operated by the Cemetery Division of the Public Works Department. The Cemetery facilities include the 34 acre Wenatchee Cemetery (which includes a mausoleum with interior and exterior crypts and niches) and the Home Of Peace Mausoleum on South Miller Street. Cemetery staff is responsible for overall operations of the facility, including landscape installation and maintenance, burial service setup, grave, niche and crypt sales, burials marker setting and any other operational task necessary. Staff works with local and out-of-area funeral directors and families directly to accommodate the needs of those utilizing the Cemetery.

The City Cemetery derives its revenues from three sources. The first source is fee for services provided by the staff at the Cemetery. The second is from the sale of graves, crypts, niches, markers and other items. The third is from the interest earnings from the Cemetery Endowment Care Fund, a fiduciary fund, which receives 13% of all grave, crypt and niche sales to help provide for future costs of the facility. Currently the interest earnings are reinvested in the fund to maximize the compound earning potential. The principal or corpus of this fund can never be expended, but the interest revenues from this account are meant to provide funding for the operations of the Cemetery when the other two revenue sources decline as the Cemetery property is filled. For many years the three traditional revenue sources have not been adequate to fund Cemetery operations. For this reason the City's General Fund had made a reoccurring transfer to the Cemetery fund in amounts ranging from \$17,000 to \$90,000 annually.

The Cemetery Department is responsible for:

- Sale of Graves, Crypts and Niches
- Sale of memorial markers, grave vaults, vases and other grave accessories
- Maintenance of irrigation system including pumps, valves, controllers and sprinklers
- Maintenance of over 30 acres of Cemetery turf
- Maintenance of numerous trees, shrubs, bushes and flowers
- Opening and closing of graves
- Coordination of burial services with funeral directors

2012 Goals:

- ✓ Removal of potentially dangerous older trees
- ✓ Reconstruction of the Veteran's Podium and Veteran's Star damaged recently
- ✓ Trimming of nearly 19,000 memorial markers twice annually (down from 3 times annually)
- ✓ Replat portions of the oldest sections of the Cemetery to provide additional graves in the area allowing upright headstones
- ✓ Updating and automating Cemetery Records.

#430 - CEMETERY

	2010 Actual	2011 Actual	2012 Budget	2013 Budget		Change from 2012	
			Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Operating	163,878	153,327	160,650	159,000	159,000	(1,650)	(1.03%)
Transfers In - #001	20,000	93,400	91,000	91,000	91,000	0	0.00%
Transfers In - #501	0	0	4,144	0	0	(4,144)	(100.00%)
Total Revenues	183,878	246,727	255,794	250,000	250,000	(5,794)	(2.27%)
Expenses:							
Salary/benefits	(176,761)	(168,965)	(176,418)	(177,756)	(178,807)	(2,389)	1.35%
Miscellaneous	(86,135)	(78,251)	(90,218)	(97,572)	(99,732)	(9,514)	10.55%
Capital Outlay	0	0	0	0	0	0	#DIV/0!
Total Expenses	(262,896)	(247,216)	(266,636)	(275,328)	(278,539)	(11,903)	4.46%
Change in Net Working Capital	(79,018)	(489)	(10,842)	(25,328)	(28,539)		
Beginning Working Cap.			5,451	(5,391)	(5,391)		
Ending Working Cap.			(5,391)	(30,719)	(33,930)		
FTE's	2.05	2.05		2.05	2.05		

2013 Goals:

- Continue with potentially dangerous tree removal
- Reinstate a turf management program including weed control and fertilization
- Increase marker trimming back to 3 times per year
- Continue to update and automate Cemetery records

Significant 2013 Budget Issues:

- Revenues at the Cemetery continue to lag behind the cost of operations.
- Trends in the funeral industry (cremation, retaining of ashes, and burial of veterans at National Cemeteries) indicate that revenues will continue to decline.
- Budget cuts in the last 3 years have made it difficult to maintain the high level of operations expected at a municipal cemetery.

Internal Service Funds

The internal service funds are used to account for goods or services provided by one department or fund to another department or fund of the City.

#501 - Equipment Operations & Maintenance Fund

The Equipment Operations & Maintenance Division of the Public Works Department is tasked with providing all of the Departments within the City of Wenatchee with high quality fleet management and operations to meet the needs of the end users and citizens of the City of Wenatchee. The Equipment Maintenance staff consists of one supervisor and fleet specialist (both shared with the Facilities Maintenance Division) and three mechanics providing automotive, heavy truck, heavy equipment, emergency vehicle and small engine maintenance.

The Equipment Operations & Maintenance Fund is responsible for:

- Preventive and scheduled maintenance services for all City vehicles and equipment
- Troubleshooting and repair of all City vehicles and equipment
- Specification development and purchasing of vehicles and equipment
- Setup and preparation of new vehicles for service
- Fabrication of materials for other Public Works Divisions
- Winterizing and de-winterizing of seasonal equipment
- Accounting for all vehicle and equipment expenses including parts and labor for repairs and services, fuel used and insurance costs
- Purchase parts and manage parts inventory
- Keeping of all records establishing a complete vehicle history

2012 Goals:

- ✓ Rebuilt transfer case in Fire Department aerial apparatus
- ✓ Rebuilt engine in Recreation Department vehicle
- ✓ Rebuilt pump in fire engine
- ✓ Converted deicer truck to temporary water truck
- ✓ Setup replacement Water Division service truck
- ✓ Migrated appropriate vehicles to synthetic fluids program to prolong service intervals
- ✓ Fabricated steel support structure for Veteran's Memorial at Cemetery

#501 - CITY SERVICES - Equip. O&M

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Operating	842,763	787,338	867,003	924,070	926,070	59,067	6.81%
Fire truck replacement	2,069	0	2,500	2,000	2,000	(500)	(20.00%)
Total Revenue	844,832	787,338	869,503	926,070	928,070	58,567	6.74%
Expenses:							
Salary/benefits	(281,347)	(292,043)	(307,607)	(327,755)	(325,378)	(17,771)	5.78%
Miscellaneous	(509,486)	(564,274)	(630,353)	(627,805)	(614,206)	16,147	(2.56%)
Capital - Fire	0	0	(150,000)	0	0	150,000	(100.00%)
Transfers out - Fire Equip Fund	0	(22,265)	(152,000)	0	0	152,000	(100.00%)
Transfers out - excess cash	0	0	(230,242)	0	0	230,242	(100.00%)
Total Expenses	(790,833)	(878,582)	(1,470,202)	(955,560)	(939,584)	530,618	(36.09%)
Change in Net Working Capital	53,999	(91,244)	(600,699)	(29,490)	(11,514)		
Beginning Working Cap.			638,561	37,862	37,862		
Ending Working Cap.			37,862	8,372	26,348		
FTE's	3.75	3.75		3.75	3.75		
Estimated Fire Apparatus Fund		565,927	263,927				
Fund Balance % of operating expenses			4%	1%	3%		

2013 Goals:

- Provide setup services for numerous vehicles including several special services vehicles with complex lighting and communications equipment
- Continue to evaluate and migrate vehicles to synthetic fluids program when appropriate
- Evaluate fleet maintenance management systems for automation of current programs
- Develop a shop equipment replacement funding plan for major shop equipment.
- Improve training for staff to troubleshoot and maintain increasingly complex automotive electronics system.

Significant 2013 Budget Issues:

- The rising cost of fuel has significantly impacted the operating costs of the entire City fleet. We have budgeted an increase in fuel/oil costs in 2013
- The scheduled replacement of shop equipment has not been adequately funded. The two-post lift currently in use is nearly 20 years old and needs to be replaced. The development of a shop equipment replacement fund will allow the replacement of obsolete and potentially unsafe equipment on a scheduled plan limiting large variations in fleet revenue needs
- The continual rise of metal prices has had an ongoing effect on the price of parts in the automotive and heavy equipment industry. We have budgeted an increase for 2013

#503 - Equipment Rental & Replacement Fund

The Equipment Rental & Replacement (ER&R) Division of the Public Works Department is responsible for managing the scheduled replacement of the City's fleet of vehicles and equipment. The ownership of all City vehicles and heavy equipment (with the exception of the 6 pieces of firefighting apparatus) is held by the ER&R Fund. These vehicles and pieces of equipment are rented back to the end-user department at a rental rate sufficient to cover the cost of replacement at the end of its useful life.

The ER&R staff (Public Works Director – Operations, Fleet and Facilities Supervisor, Fleet and Facilities Specialist) has developed a 25-year replacement plan which outlines the replacement schedule of all vehicles and equipment and a cash-flow plan to provide adequate funding for those purchases. The ER&R Fund is a revolving account in which current revenues are used to make the scheduled purchases in any given year.

In recent years the ER&R staff has been looking to the used vehicle and equipment market to temper raising vehicle and equipment costs, if a used vehicle will meet the needs of the end-user.

The Equipment Rental & Replacement Fund is responsible for:

- Scheduling the replacement of all City vehicles and pieces of equipment
- Developing a funding plan to provide for annual purchases
- Determining and amending expected vehicle life based on maintenance records and utilization history
- Developing specifications for and soliciting quotes for vehicle and equipment purchases

2012 Goals:

- ✓ Purchase and setup new water service vehicle (1-½ ton truck with service body)
- ✓ Purchase combination water flusher/road deicer truck
- ✓ Purchase new or used 10-12 CY end-dump truck.
- ✓ Develop a plan to utilize the used vehicle and equipment market more effectively

#503 - CITY SERVICES - Equip. Replacement

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Internal Services	585,297	626,998	619,631	699,185	699,185	79,554	12.84%
Miscellaneous	0	13,088	3,000	2,000	2,000	(1,000)	(33.33%)
Transfers in	0	32,157	0	0	0	0	#DIV/0!
Total Revenue	585,297	672,243	622,631	701,185	701,185	78,554	12.62%
Expenses:							
Salary/benefits	(38,760)	(39,464)	(41,757)	(42,066)	(41,791)	(34)	0.08%
Miscellaneous	(9,820)	(9,896)	(2,350)	0	0	2,350	(100.00%)
Capital Outlay	(288,498)	(76,305)	(474,713)	0	(280,214)	194,499	(40.97%)
Total Expenses	(337,078)	(125,665)	(518,820)	(42,066)	(322,005)	196,815	(37.94%)
Change in Net Working Capital	248,219	546,578	103,811	659,119	379,180		
Beginning Working Cap.			1,845,153	1,948,964	1,948,964		
Ending Working Cap.			1,948,964	2,608,083	2,328,144		
FTE's	0.44	0.44		0.44	0.44		

2013 Goals:

- The 25 year plan has 31 vehicles or pieces of equipment scheduled to be replaced in 2013. These have been evaluated and some of the purchases are as follows:
 - Purchase 3 replacement Police Patrol Vehicles
 - Purchase 2 replacement Parks Maintenance Division snow blowers
 - Purchase 3 replacement Water Division vehicles
 - Purchase 1 replacement Street Division vehicle
 - Purchase 1 replacement Information Systems Department vehicle
- Evaluate vehicles and pieces of equipment for extension of useful life.
- Evaluate fleet utilization with a goal of consolidating or eliminating underutilized vehicles

Significant 2013 Budget Issues:

- Over the past 4 budget cycles the City has utilized replacement rate “holidays” to reduce the cost of funding the replacement of the City’s fleet by extending projected vehicle life. This has caused many vehicles and pieces of equipment to be underfunded when the true end-of-life is met. Our challenge is to slowly rectify this imbalance over the next several years so that when a vehicle reaches it end-of-life, adequate funds have been collected to provide for the replacement.

#504 - Facility Maintenance Fund

The Public Works Department's Facility Maintenance Division is responsible for the building maintenance for all of the City's facilities. This includes City Hall, the Police Station, the Historic Police Station (home of Information Services/Facility Maintenance/Drug Task Force), the Public Services Center Complex, the Museum Complex, the Community Center, two Fire Stations, the City Pool and Bathhouse and some of the work at the buildings in City parks. This fund primarily derives its revenue from a general fund transfer in the "other administrative" section of the budget. Other non-general fund departments also contribute to the Facility Maintenance fund for facility maintenance and upkeep.

The facility maintenance crew also provides tenant improvement services for City departments such as remodels of existing spaces, or expansions to accommodate departmental growth.

Facility Maintenance Division is responsible for:

- Maintenance of all City facilities including:
 - Heating, Ventilation and Air Conditioning (HVAC) operations and maintenance
 - Electrical maintenance including lighting
 - Plumbing system maintenance and replacement
 - Maintenance of building finishes (paint, wall paper, carpet, ceiling tile)
- Maintenance of security systems including managing city-wide keying system
- Maintenance of City appliances
- Construction of improvement to City owned facilities
- Contracting for outside repair or construction at City facilities

2012 Goals:

- ✓ Reconstruction of filter system and filter pit at the City pool
- ✓ HVAC/lighting/communications improvements at City Hall in conjunction with Energy Efficiency Project
- ✓ Reconstruction of Veteran's Memorial at City Cemetery (with Cemetery staff)
- ✓ Responding to daily work orders for maintenance issues in a timely manner

#504 - CITY SERVICES - Facilities

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Internal Services	346,992	331,421	282,587	290,000	290,000	7,413	2.62%
Child Care Center Rent	10,200	10,800	10,800	10,800	10,800	0	0.00%
Miscellaneous	0	0	135,500	0	100	(135,400)	(99.93%)
Transfer in - #501	0	0	1,643	0	0	(1,643)	(100.00%)
Total Revenue	357,192	342,221	430,530	300,800	300,900	(129,630)	(30.11%)
Expenses:							
Salary/benefits	(203,559)	(206,109)	(164,554)	(146,388)	(146,982)	17,572	(10.68%)
Miscellaneous	(97,876)	(138,490)	(150,472)	(141,526)	(139,249)	11,223	(7.46%)
Capital			(161,000)	0	0	161,000	(100.00%)
Total Expenses	(301,435)	(344,599)	(476,026)	(287,914)	(286,231)	189,795	(39.87%)
Change in Net Working Capital	55,757	(2,378)	(45,496)	12,886	14,669	60,165	
Beginning Working Cap.			130,691	85,195	85,195	85,195	
Ending Working Cap.			85,195	98,081	99,864	145,360	
FTE's	2.71	2.71		1.71	1.71		
Fund Balance % of operating expenses			27%	34%	35%		

2013 Goals:

- HVAC improvements at the Community Center, Convention Center and Fire Station
- Major roof repairs at Historic Police Station and City Hall

Significant 2013 Budget Issues:

With the loss of one of the two Facility Maintenance Technicians in 2012 the staff's ability to respond to daily facility issues has been diminished. Keeping ahead of emergency maintenance situations by deploying strategies like facility re-lamping and scheduled HVAC maintenance will help minimize call-backs and low efficiency tasks.

#502 - Self Insurance Fund

The Self Insurance Fund provides property/casualty insurance that covers all City assets and programs. The City is a member of the Association of Washington City Risk Management Service Agency (AWC RMSA) pool. AWC RMSA had 86 member municipalities as of December 31, 2011. Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. AWC RMSA, itself, pays out of its own funds all claims up to \$250,000 for liability and \$50,000 for property, and thereafter purchases excess liability insurance. The revenue for this fund is from a general fund transfer in the "other administrative" section of the budget and other operating funds.

We need a 2012 budget amendment to transfer \$300,000 from the General Fund to partially cover the \$911,720 spent in 2011 in legal expenses for PFD related items. It is anticipated the premium will increase 10% in 2013 but, we have not yet heard.

#502 - SELF - INSURANCE							
	2010	2011	2012 Budget	2013 Budget		Change from 2012	
	Actual	Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues:							
Internal Services	849,012	876,912	876,900	964,590	947,200	70,300	8.02%
Miscellaneous	25,038	74,545	52,000	51,000	50,500	(1,500)	(2.88%)
Transfers In			300,000	0	0	(300,000)	(100.00%)
Total Revenue	874,050	951,457	1,228,900	1,015,590	997,700	(231,200)	(18.81%)
Expenses:							
Insurance Premiums	(701,192)	(778,741)	(835,900)	(1,055,500)	(872,734)	(36,834)	4.41%
Professional Services	0	(911,915)	0	0	0	0	#DIV/0!
Payments to Claimants/Misc	(81,227)	(146,360)	(155,000)	0	(150,000)	5,000	(3.23%)
Total Expenses	(782,419)	(1,837,016)	(990,900)	(1,055,500)	(1,022,734)	(31,834)	3.21%
Change in Net Working Capital	91,631	(885,559)	238,000	(39,910)	(25,034)		
Beginning Working Cap.			963,439	1,201,439	1,201,439		
Ending Working Cap.			1,201,439	1,161,529	1,176,405		

#505 - Information Systems Fund

The Information Systems department's mission is to proactively provide cost effective, reliable, standardized, and current information technology tools, systems, and services including customer support to the departments of the City of Wenatchee. The Information Systems department designs, maintains, and monitors the City's data network. The department orders, delivers, repairs, and maintains all desktop, handheld personal computers and peripheral equipment. They insure the integrity and security of data operations, and oversee and manage the City's data center. Primary computer applications, such as financial, payroll, utilities, permitting, and public safety and related database systems, are maintained and supported by the Information Systems department. The department manages the City's Internet and Intranet web sites, Wenatchee Public Access TV equipment and programming, council chambers technology operations and support and the City's telephone systems. Information Systems also provides network and desktop support for the Greater Wenatchee Regional Events Center Public Facilities District.

2012 Goals:

- ✓ Upgrade City Hall wiring infrastructure and relocate City Hall employees during the construction phase
- ✓ Upgrade Email server from Microsoft Exchange 2007 to Exchange 2010
- ✓ Upgrade city PCs from Office 2007 to Office 2010
- ✓ Upgrade city PCs from the Microsoft XP operating system to Microsoft Windows 7
- ✓ Segment the Ethernet network by separating the network into VLANs to reduce broadcast traffic
- ✓ Online registration software for recreation programs / building & picnic shelter rentals
- ✓ Provides criminal justice information from Spillman system on smart phones and iPads
- ✓ Install Tyler Output Processor to allow email of Utility bills, employee payroll sheets, etc.
- ✓ Upgrade city virtual servers from VMWare vSphere 4 to 5
- ✓ Build a database to replace the MP2 water inventory database
- ✓ Install and setup security cameras at City Pool
- ✓ Implement a Twitter Standards policy

#505 - INFORMATION TECHNOLOGY

			2012 Budget	2013 Budget		Change from 2012	
	2010 Actual	2011 Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Internal services	830,443	785,707	793,110	785,110	785,110	(8,000)	(1.01%)
Cable TV Capital Contributions	2,017	2,227	2,000	2,200	2,200	200	10.00%
Miscellaneous	1,287	1,638	500	500	500	0	0.00%
Transfers In - #501	0	0	363	0	0	(363)	(100.00%)
Total Revenue	833,747	789,572	795,973	787,810	787,810	(8,163)	(1.03%)
Expenses:							
Salary/benefits	(375,872)	(383,832)	(412,217)	(392,372)	(402,052)	10,165	(2.47%)
Miscellaneous	(351,702)	(314,271)	(403,576)	(390,276)	(392,676)	10,900	(2.70%)
Capital Outlay	(53,759)	(54,928)	0	0	0	0	#DIV/0!
Total Expenses	(781,333)	(753,031)	(815,793)	(782,648)	(794,728)	21,065	(2.58%)
Change in Net Working Capital	52,414	36,541	(19,820)	5,162	(6,918)		
Beginning Working Cap.			247,611	227,791	227,791		
Ending Working Cap.			227,791	232,953	220,873		
FTE's	4	4		4	4		
Fund Balance % of operating expenses			28%	30%	28%		

2013 Goals:

- Permitting software replacement for PTWin

- Upgrades at WWTP to PLCs (Programmable Logic Controllers) to provide compatibility with Windows 7
- Redundant equipment for SCADA software at WWTP
- Streamline printing environment
- Implement virtual desktops at remote sites

Significant 2013 Budget Issues:

- There currently isn't a funding source for a Permitting software replacement. The company of the current software being used went out of business in early 2011. Therefore, this causes concern as there is no technical support for updates to fix software bugs or to work with the new operating systems.

Fiduciary Funds

Fiduciary funds account for assets held by a government in a trustee capacity or as an agent for other governments or funds.

#610 - Cemetery Endowment Fund

This fund is used to account of trust amounts received through sales of graves, crypts and niches in the Cemetery Enterprise Fund. At the point the existing City cemetery is at full capacity the interest earning on the corpus of this fund will be used for the operation and maintenance of the facility, however the corpus may not be spent. The Fund currently has two investments outstanding:

- Interfund loan with the General Fund, a \$71,509 principal and interest annual payment, interest rate of 3.592%, final payment will be September 2018
- Riverside Drive LID bond, \$400,000, this is a 20 year bond, interest earned (5.56%) is based on declining principal balance, property owners can pay off or pay down the principal balance early, therefore it is difficult to determine what future interest earnings may be.

#610 - CEMETERY TRUST

	2010 Actual	2011 Actual	2012 Budge Final Budget	2013 Budget		Change from 2012	
				As of 9/20/2012	As of 11/15/2012	\$	%
Revenues	28,479	26,482	47,500	35,800	35,800	(11,700)	(24.63%)
Expenses	0	0	0	0	0	0	#DIV/0!
Revenues over (under) expenditures	28,479	26,482	47,500	35,800	35,800		
Fund Balance January 1,	798,093	826,572	853,054	900,554	900,554		
Fund Balance December 31	826,572	853,054	900,554	936,354	936,354		

#611 - Firemen's Pension Fund

RCW.3.24.380 established the authority to create a Firemen's Pension Fund to meet the requirement of Washington State Law to provide pension and related benefits to fire department employees hired prior to March 1, 1970. As of December 31, 2011, there were 25 retirees or beneficiaries eligible for retirement benefits. Of these 25, the State pays seven; the City pays four; and both the City and State share the cost of the remaining 14. The City is required to have a bi-annual actuarial study done. The last valuation was January 1, 2012 and indicated the City pension fund was over funded \$250,427.

The pension fund has one long term investment: the Riverside Drive LID bond, \$1,500,000, this is a 20 year bond, interest earned (5.56%) is based on declining principal balance, property owners can pay off or pay down the principal balance early, therefore it is difficult to determine what future interest earnings may be.

#611 - FIREMEN'S PENSION

	#001 - FIRE INSURANCE PREMIUM						
	2010	2011	2012 Budget	2013 Budget		Change from 2012	
	Actual	Actual	Final Budget	As of 9/20/2012	As of 11/15/2012	\$	%
Revenues							
Fire Insurance Premium	27,960	26,554	27,500	22,400	22,400	(5,100)	(18.55%)
Miscellaneous	7,984	4,011	83,700	80,000	80,000	(3,700)	(4.42%)
Total Revenue	35,944	30,565	111,200	102,400	102,400	(8,800)	(7.91%)
Expenses							
Operating	(149,264)	(163,534)	(156,100)	(156,100)	(156,100)	0	0.00%
Transfers out - #001	(304,000)	(312,200)	0	0	0	0	#DIV/0!
Total Expenses	(453,264)	(475,734)	(156,100)	(156,100)	(156,100)	0	0.00%
Revenues over							
(under) expenditures	(417,320)	(445,169)	(44,900)	(53,700)	(53,700)		
Fund Balance January 1,	2,989,916	2,572,596	2,127,427	2,082,527	2,082,527		
Fund Balance December 31	2,572,596	2,127,427	2,082,527	2,028,827	2,028,827		

Staffing History

Analysis of Full-Time Equivalent Employees (FTEs)

	2013 Budget	2012 Budget	2011 Budget	2010 Budget	2009 Budget	2008 Budget	2007 Budget	2006 Budget	2005 Budget
General Fund									
<u>Excluding Public Safety</u>									
Council / Administration	4.000	4.000	4.000	4.000	5.830	6.500	6.500	5.000	5.000
Finance	6.400	11.000	11.800	12.000	11.000	11.000	11.500	11.500	10.500
Code Enforcement	5.700	6.000	6.000	6.000	6.000	4.000	4.000	4.000	4.000
Planning	4.820	3.820	4.020	4.020	6.020	8.020	8.040	5.640	6.000
Engineering	6.950	6.050	6.050	6.050	5.250	5.250	5.525	5.375	5.375
Recreation & Swimming Pool	2.500	2.500	2.500	3.100	3.600	3.600	3.225	2.850	2.350
Park Maintenance	7.150	7.050	7.050	7.450	7.450	7.450	7.575	7.575	7.575
Museum	1.520	5.000	5.000	5.000	6.000	6.000	6.000	5.800	4.800
Total excluding public safety	39.040	45.420	46.420	47.620	51.150	51.820	52.365	47.740	45.600
<u>Fire</u>									
Fire Administration	3.300	3.800	4.000	4.000	5.000	5.000	5.000	5.000	5.000
Firefighters	26.000	28.000	28.000	30.000	31.000	31.000	31.000	31.000	31.000
Total Fire Department	29.300	31.800	32.000	34.000	36.000	36.000	36.000	36.000	36.000
<u>Police</u>									
Administration	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Officers	33.420	37.000	37.000	38.000	40.000	39.000	39.000	37.000	37.000
Records	8.000	9.000	9.000	10.000	10.000	10.000	10.000	10.000	9.000
Total Police Department	45.420	50.000	50.000	52.000	54.000	53.000	53.000	51.000	50.000
General Fund Total	113.760	127.220	128.420	133.620	141.150	140.820	141.365	134.740	131.600
All Other Funds									
Convention Center Fund	2.100	2.100	2.100	2.100	2.100	2.100	2.125	1.875	1.800
Streets Fund	11.980	11.930	11.410	13.080	13.080	13.000	12.800	11.900	11.000
Community Center Operations	1.000	1.000	1.000	1.000	1.000	0.950	0.500	0.00	0.00
Water/Sewer Fund	26.580	24.970	25.070	25.070	25.070	25.200	24.050	23.400	23.400
Regional Water Fund	1.550	1.500	1.500	1.500	1.500	1.450	1.450	1.450	1.450
Sanitation Fund	1.210	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Storm Drain Fund	2.830	2.150	2.300	2.300	2.300	2.300	1.850	1.450	2.350
Cemetery Fund	2.050	2.050	2.050	2.050	2.050	2.050	2.050	2.050	2.050
Equip Rental - O & M Fund	3.750	3.750	3.750	3.750	3.750	3.750	3.800	3.500	3.700
Equip Rental - Replacement Fund	0.440	0.440	0.440	0.440	0.440	0.440	0.450	0.250	0.200
Facilities Maintenance Fund	1.710	1.710	2.710	2.710	2.710	2.710	2.825	2.575	2.500
Data Processing Fund	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	2.500
Total excluding general fund	59.200	55.600	56.330	58.000	58.000	57.950	55.900	52.450	50.950
Total FTE Employees	172.960	182.820	184.750	191.620	199.150	198.770	197.265	187.190	182.550

Budget Ordinance 2012-29 Exhibit A – All Funds Budget Summary

Ordinance 2012-29 will be presented to the City Council November 15, 2013 for approval. Exhibit A to this ordinance is a summary of revenues and expenditures/expenses by fund.

Annual Appropriation Funds	Fund No.	Estimated Beginning Fund Balance	Budgeted Revenue	Appropriations	Estimated Ending Fund Balance
General	001	2,202,241	20,583,243	(20,741,089)	2,044,395
Public Art	101	56,702	15,175	(29,000)	42,877
PFD .2% Sales Tax	102	0	1,505,081	(1,505,081)	0
Paths and Trails	103	459	2,800	0	3,259
Tourism Promotion Area	104	0	183,300	(183,300)	0
Hotel/Motel - Capital	105	19,839	187,100	(187,100)	19,839
Convention Center	106	217,363	2,004,051	(2,082,291)	139,123
Hotel/Motel - Tourism	107	4,493	374,300	(340,000)	38,793
Streets	108	373,652	1,751,699	(1,950,739)	174,612
Arterial Street	109	291,717	3,468,773	(3,033,373)	727,117
Long-Term Care - LEOFF 1	110	530,529	65,500	(65,000)	531,029
Street Overlay	111	68,130	681,403	(723,802)	25,731
Housing Rehabilitation	113	75,738	37,250	(30,000)	82,988
Community Center Operations	114	149,010	93,724	(147,889)	94,845
CDBG Entitlement	115	1,010	241,800	(241,800)	1,010
Health Insurance - LEOFF 1	116	518,063	594,500	(594,000)	518,563
Homeless Housing	117	233,331	1,232,032	(1,171,411)	293,952
Debt Service - UTGO Bonds	201	(11,371)	376,125	(366,125)	(1,371)
Debt Service - Councilmanic Bonds	205	35,336	1,000,256	(1,000,156)	35,436
R.E. Capital Projects	301	11,228	393,802	(405,030)	0
Pybus Market	304	0	100,000	(100,000)	0
Local Revitalization Financing Fund	307	1,563	1,530	(1,500)	1,593
Cemetery Endowment	610	900,554	35,800	0	936,354
Firemen's Pension	611	2,082,527	102,400	(156,100)	2,028,827
Total Annual Appropriation Funds			35,031,644	(35,054,786)	

Working Capital Funds	Fund No.	Estimated Beginning Working Capital	Budgeted Revenue	Appropriations	Estimated Ending Working Capital
Water/Sewer	401	3,580,511	10,592,663	(11,778,435)	2,394,739
Storm Drain	410	1,897,917	1,510,745	(2,251,639)	1,157,023
Regional Water	415	521,428	1,300,000	(764,464)	1,056,964
Solid Waste	420	252,967	2,059,200	(2,003,837)	308,330
Vactor Facility	425	0	269,000	(269,000)	0
Cemetery	430	(5,391)	250,000	(278,539)	(33,930)
City Services - Equip. O&M	501	37,862	928,070	(939,584)	26,348
City Services - Equip. Replace.	503	1,948,964	701,186	(322,005)	2,328,145
City Services - Facilities	504	85,195	300,900	(286,231)	99,864
Self - Insurance	502	1,201,439	997,700	(1,022,734)	1,176,405
Information Systems	505	227,791	787,810	(794,728)	220,873
Total Working Capital Funds			19,697,274	(20,711,196)	
Total of all Funds			54,728,918	(55,765,982)	